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# ***Daily Report***

## **East Asia**

**FBIS-EAS-94-175  
Friday  
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# Daily Report

## East Asia

FBIS-EAS-94-175

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## Japan

### Hashimoto Says Deal on Framework Talks 'Possible'

OW0909010694 Tokyo KYODO in English 0031 GMT  
9 Sep 94

[Text] Washington, Sept. 8 KYODO—Japanese Trade Minister Ryutaro Hashimoto said Thursday [8 September] agreement is possible in the "framework" trade negotiations with the United States by the Sept. 30 deadline for possible U.S. economic sanctions against Tokyo.

"We (Japan and the U.S.) have reached a stage where we can hope for agreement," Hashimoto told reporters. However, Hashimoto, minister of international trade and industry, admitted little if any progress has been made in the trade talks so far.

"I would have held a news conference if there was progress," he said, adding both Japan and the U.S. have to compromise to bring success to the talks.

Hashimoto stopped in Washington to meet senior U.S. officials such as Laura Tyson, chairman of the Council of Economic Advisers, and Federal Reserve Chairman Alan Greenspan, before attending a quadrilateral meeting of trade ministers from the U.S., Japan, Canada and the European Union starting Friday in Los Angeles.

Tyson told Hashimoto that the excessive rise in the yen and decline in the dollar will be detrimental to both the Japanese and U.S. economies, according to Japanese officials accompanying Hashimoto. She was also quoted as denying market speculation that Washington is manipulating foreign exchange rates.

### Hashimoto, Greenspan on Stable Currency Markets

OW0909011694 Tokyo KYODO in English 0044 GMT  
9 Sep 94

[Text] Washington, Sept. 8 KYODO—Japan's Trade Minister Ryutaro Hashimoto and U.S. Federal Reserve Board Chairman Alan Greenspan agreed Thursday [8 September] on the need for stable currency markets.

Hashimoto, minister of international trade and industry, told Greenspan in a tete-a-tete meeting that wild ups and downs in foreign exchange rates would hurt not only Japan but the global economy, Japanese officials said.

Greenspan concurred, saying stable markets are desirable, according to the officials.

Greenspan also was quoted as saying the Japanese economy needs several more years to recover from the aftereffects of the collapse of the "bubble" economy.

He also explained that recent interest rate hikes by the U.S. central bank were designed to curb the possibility of an excessive expansion in the U.S. economy and achieve sustainable growth.

Prior to his talks with Greenspan, Hashimoto told reporters that Japan and the United States "have reached a stage where we can hope for success" of the bilateral "framework" trade talks.

But Hashimoto admitted there has been little if any progress in the talks so far and said both Japan and the U.S. have to give up something to cut a deal on the negotiations.

Tokyo is facing looming sanctions unless no agreement is reached on the framework talks by the U.S.-imposed deadline of Sept. 30.

Earlier in the day, Hashimoto pledged Japan will continue stimulating the domestic economy with extended tax cuts and other measures.

In a 15-minute telephone conversation with Treasury Secretary Lloyd Bentsen, he said there will be no alteration in the economy-boosting policy Japan unveiled at the Group of Seven summit in Naples in July.

Hashimoto stopped over in Washington for talks with senior U.S. officials before attending the quadrilateral meeting of trade ministers from the U.S., Japan, Canada and the European Union that opens in Los Angeles on Friday.

### Kono-Kantor Talks: No Breakthrough Reported

OW0909021694 Tokyo KYODO in English 0141 GMT  
9 Sep 94

[Text] Los Angeles, Sept. 8 KYODO—Japan's Foreign Minister Yohei Kono and U.S. Trade Representative Mickey Kantor reported no breakthrough after nearly three hours of discussions Thursday [8 September] on stalled "framework" trade talks.

"They had detailed discussions, and officials will meet again," a U.S. official said after the meeting. The talks lasted two hours and 40 minutes, almost double the original schedule.

The U.S. trade official said Kantor and Kono spent the last 30 minutes of their meeting tete-a-tete.

On Wednesday, Kantor held lengthy discussions with Japan's International Trade and Industry Minister Ryutaro Hashimoto in Washington.

The top-level meetings took place as trade negotiators from the two countries resumed talks, broken off since late July, on the nagging trade dispute over Japan's government procurement practices in medical and telecommunications devices.

Japanese Deputy Foreign Minister Sadayuki Hayashi and Deputy U.S. Trade Representative Charlene Barshefsky, the two lead negotiators on the procurement issue, met briefly in what was described as a "say hello" session and to set procedural matters. The two sides will meet again Friday, Barshefsky said.

With a U.S.-imposed deadline for settlement less than three weeks away, prospects for an agreement, however, remained elusive.

"We must both work harder," Hayashi told reporters. "We hope we have an agreement soon, but of course it depends."

The United States, which accuses Japan of discriminating against American firms in awarding government contracts for medical devices and telecommunications products, has set Sept. 30 as the deadline for settling the dispute, on threat of trade sanctions.

Also, Washington is due to announce by the same date whether to cite Japan and other countries for unfair trade practices over a broader field of market sectors, a decision that could also lead to the imposition of sanctions under the so-called "Super 301" provision of U.S. trade laws.

Parallel to the government procurement talks, trade negotiators from the two countries will also have two days of talks beginning Friday on ways to boost foreign penetration of Japan's insurance market.

The main sticking point in the trade negotiations, which have languished for more than a year under the framework process of trade talks, centers on U.S. demands that Japan makes specific commitments to increase its import of foreign goods.

Apart from government procurement practices, the U.S. is also making similar demands that Japan set up "objective criteria" to measure progress in opening up its markets to autos and auto parts, the insurance business and flat glass.

Japan has resisted the U.S. demands, asserting such commitments would lead to undue government intervention in the flow of trade.

Kantor and Kono are in Los Angeles for a "quadrilateral" trade conference with Canada and the European Union opening Friday to discuss global trade issues.

Japan will also be represented by Hashimoto, who will be arriving from Washington on Friday.

#### **Kono: 'Relaxed' Talks**

*OW/0909032094 Tokyo KYODO in English 0304 GMT  
9 Sep 94*

[By Antonio Kamiya]

[Text] Los Angeles, Sept. 8 KYODO—Japan's Foreign Minister Yohei Kono and U.S. Trade Representative Mickey Kantor reported no breakthrough after nearly three hours of talks Thursday [8 September] on the stalled "framework" trade negotiations between the two countries.

"We had detailed discussions. Working-level officials will now carry on the talks," Kono told reporters after emerging from the closed-door meeting.

Kono declined to divulge further details about the talks, except to say, "the atmosphere of the conversation was relaxed."

The meeting lasted two hours and 40 minutes, almost double the time originally scheduled, with Kantor and Kono spending the last 50 minutes of their talks in a tete-a-tete meeting, with only an interpreter present, a Japanese official said.

The official, speaking on condition of anonymity, insisted there was no secret agreement made during the tete-a-tete meeting.

"As politicians, they probably wanted to build a personal rapport between them," the official said.

Japanese officials said the plenary part of the meeting, involving key aides from both sides, focused mostly on Japan's government procurement practices, one of the key areas in the dispute between the two countries.

The United States, which accuses Japan of discriminating against American firms in awarding government contracts in medical devices and telecommunications products, has set Sept. 30 as the deadline for settling the dispute on threat of trade sanctions.

Also, Washington is due to announce by the same date whether to cite Japan and other countries for unfair trade practices over a broader field of market sectors, a decision that could also lead to the imposition of sanctions under the so-called "Super 301" provision of U.S. trade laws.

"Both sides agreed to work hard toward an early agreement," the Japanese spokesman said.

The meeting between Kantor and Kono came a day after Kantor held lengthy discussions with Japan's International Trade and Industry Minister Ryutaro Hashimoto in Washington.

While officials were not predicting an imminent breakthrough, Kantor said there was "potential for progress" after his meeting with Hashimoto.

The top-level meetings came as trade negotiators from the two countries resumed talks, broken off since late July, on the nagging trade dispute over Japan's government procurement practices in medical and telecommunications devices.

Japan's Deputy Foreign Minister Sadayuki Hayashi and Deputy U.S. Trade Representative Charlene Bassefsky, the two lead negotiators on the procurement issue, met briefly in what was described as a "say hello" session and to set procedural matters.

Full-scale negotiations will begin on Friday and last through Saturday, Japanese officials said.

Parallel to the government procurement talks, trade negotiators from the two countries will also hold two days of talks beginning Friday on ways to boost foreign penetration in Japan's insurance market.

The main sticking point in the trade negotiations, which have been languishing for more than a year under the so-called "framework" process of trade talks, centers on U.S. demands that Japan make specific commitments to increase the import of foreign goods to Japan.

Apart from government procurement practices, the U.S. is also making similar demands that Japan set up "objective criteria" measurements for autos and auto parts, insurance business and flat glass.

Japan has resisted the U.S. demands, asserting such commitments would lead to undue government intervention in the flow of trade.

The knotty issue over objective criteria took up a "significant" part of the time in the talks Thursday between Kantor and Kono, Japanese officials said.

Kantor and Kono were in Los Angeles for a "quadrilateral" trade conference with Canada and the European Union to open Friday to discuss global trade issues.

Japan will also be represented by Hashimoto, who will be arriving from Washington on Friday.

#### Further on Talks

OW0909004794 Tokyo KYODO in English 2309 GMT  
8 Sep 94

[By Antonio Kamiya]

[Text] Los Angeles, Sept. 8 KYODO—Japanese Foreign Minister Yohei Kono met U.S. Trade Representative Mickey Kantor on Thursday [8 September] as the two countries took another stab at resolving a host of nagging trade disputes and avoid possible U.S. trade sanctions.

Speaking to reporters at the outset of the meeting, Kantor said, "We will talk about the 'framework,' of course," a reference to stalled trade talks that have strained trade ties between the two countries.

The meeting between Kantor and Kono came a day after Kantor held lengthy discussions with Japan's International Trade and Industry Minister Ryutaro Hashimoto in Washington.

The top-level meetings came as trade negotiators from the two countries resumed talks, broken off since late July, on the nagging trade dispute over Japan's government procurement practices in medical and telecommunications devices.

Japanese Deputy Foreign Minister Sadayuki Hayashi and Deputy U.S. Trade Representative Charlene Barshefsky, the two lead negotiators on the procurement issue, met briefly in what was described as a "say hello" session and to set procedural matters.

The two sides will meet again Friday, Barshefsky said.

With a U.S.-imposed deadline for settlement less than three weeks away, prospects for an agreement, however, remained elusive.

"We must both work harder," Hayashi told reporters. "We hope we have an agreement soon, but of course it depends."

The United States, which accuses Japan of discriminating against American firms in awarding government contracts in medical devices and telecommunications products, has set Sept. 30 as the deadline for settling the dispute on threat of trade sanctions.

Also, Washington is due to announce by the same date whether to cite Japan and other countries for unfair trade practices over a broader field of market sectors, a decision that could also lead to the imposition of sanctions under the so-called "Super 301" provision of U.S. trade laws.

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Apart from government procurement practices, the U.S. is also making similar demands that Japan set up "objective criteria" measurements for autos and auto parts, the insurance business and flat glass.

Japan has resisted the U.S. demands, asserting such commitments would lead to undue government intervention in the flow of trade.

Kantor and Kono were in Los Angeles for a "quadrilateral" trade conference with Canada and the European Union opening Friday to discuss global trade issues.

Japan will also be represented by Hashimoto, who will be arriving from Washington on Friday.

#### Tokyo To Settle Procurement, Insurance Issues

OW0909070794 Tokyo KYODO in English 0619 GMT  
9 Sep 94

[Text] Washington, Sept. 8 KYODO—Japan has proposed to settle procurement and insurance issues in its framework trade talks with the United States by the Sept. 30 deadline for possible U.S. trade sanctions, a Japanese trade official said Thursday [8 Sep].

International Trade and Industry Minister Ryutaro Hashimoto filed the proposal in his Wednesday meeting in Washington with U.S. Trade Representative Mickey Kantor, the official said.



Details of the Japanese proposal were not disclosed.

The official said Hashimoto forwarded his proposal to Japanese Foreign Minister Yohei Kono, who met Kantor in Los Angeles on Thursday.

Hashimoto is touring the U.S. after a trip to Canada. He and Kono will attend a quadrilateral trade conference of Canada, Japan, the U.S. and the European Union, due to open in Los Angeles on Friday.

Government procurement of telecommunications and medical equipment and the opening of the insurance market are two of three priority areas in the framework trade negotiations. The other is automobile and auto parts trade.

Washington has warned it will launch a process to impose sanctions against Japan unless agreements are reached on the issues by the end of September.

The prospect of agreement has strengthened as the U.S. tried to avoid sanctions and negotiators from both sides are determined to reach a settlement, said the official accompanying Hashimoto.

#### **Compromise Plan for Procurement**

*OW0809131494 Tokyo YOMIURI SHIMBUN in Japanese 8 Sep 94 Morning Edition p 1*

[By correspondent Takashi Sakamoto]

[Text] Washington, 7 September—A government source disclosed on 7 September that Japan would present the United States with a compromise plan, which would meet U.S. demands, to seek agreement in the Japan-U.S. framework trade talks on government procurement. Specifically, the government will lower the floor price of contracts for government procurement bidding conducted under the "comprehensive assessment system" from the current 800,000 SDRs [special drawing rights] (a currency used by the IMF instead of the dollar—or about 115 million yen) to 600,000 SDRs for the first couple of years.

Under the comprehensive assessment system, a successful bidder will be determined on such points as quality and performance of product, as well as bid price. The government will also study bringing the future floor price closer to 250,000 SDRs, a demand of the United States.

Other countries are critical of Japanese government procurement, claiming "the bidding procedures are far from clear." The comprehensive assessment system has been devised in response to such criticism.

The system is designed to prevent dango collusive bidding practices by assessing not only the bid price, but the quality and performance of the product, and the extent by which bidding procedures have become clearer and more open. The plan to lower the floor price is aimed at widening the range of applications of the system.

In exchange for its rejection of objective criteria similar to numerical targets, Japan intends to promote the improvements in bidding procedures so that it can solicit a concession from the United States.

#### **Progress in Insurance Talks**

*OW0909085094 Tokyo KYODO in English 0833 GMT 9 Sep 94*

[Text] Tokyo, Sept. 9 KYODO—Insurance talks under the Japan-U.S. "framework" negotiations have already progressed enough for a possible early agreement, Finance Minister Masayoshi Takemura said Friday [9 Sep].

"Substantial progress has already been made" in the insurance talks, Takemura said in addressing an annual meeting of the Marine and Fire Insurance Association of Japan.

With a working-level meeting on the insurance field scheduled in Los Angeles overnight, Japan will pin "every effort to pursue a settlement as early as possible," Takemura said.

Insurance business is one of the three priority areas in the framework talks, along with autos and auto parts, and Japan's government procurement of telecommunications and medical equipment.

A series of talks is scheduled from over the weekend through the end of this month, including top-level meetings of Japan's International Trade and Industry Minister Ryutaro Hashimoto, Foreign Minister Yohei Kono, and U.S. Trade Representative Mickey Kantor.

The meetings will be last-ditch efforts by the two sides before the month-end deadline imposed by the United States to slap trade sanctions against Japan.

#### **Tokyo Accepts U.S. Demand**

*OW0809141294 Tokyo NIHON KEIZAI SHIMBUN in Japanese 8 Sep 94 Morning Edition p 5*

[By Koya Shimizu]

[Text] Washington, 7 Sep—It was revealed on 7 September that in insurance negotiations under the Japan-U.S. economic framework talks, that Japan has accepted a U.S. demand that it investigate "keiretsu" transactions in the Japanese insurance market.

However, because Japan intends to implement the insurance system reform in 1996, with the mutual participation of life and nonlife insurance businesses as a major part of the reform, it was coordinating with the United States on delaying any immediate investigation of "keiretsu" transactions. Instead, it hoped to conduct an investigation within a set period of time after implementing insurance reform.

It appears the United States has, in principle, agreed to this. If the "keiretsu" issue is settled, the major unsettled



topics left in the insurance negotiations will be the content of objective criteria and liberalization of the so-called third sector business, which is neither obviously part of the life nor non-life insurance business.

In the insurance sector negotiations so far, the United States has pointed out the huge share of insurance enjoyed by "keiretsu" insurance companies within their corporate groups in the Japanese insurance market.

For example, it has claimed that Tokyo Marine and Fire Insurance Company enjoys an extremely large share of nonlife insurance among the Mitsubishi Group companies. The United States maintains that such "keiretsu" transactions hamper access by foreign insurance companies into the Japanese market, and it has demanded that the Fair Trade Commission [FTC] investigate "keiretsu" transactions in the Japanese insurance market.

On the issue of reform of the insurance system, the Ministry of Finance plans to submit to an ordinary Diet session to be convened next January a bill to amend the Insurance Business Law. It aims to have the bill approved during the session and to begin enforcing it in April 1996. For this reason, it is expected that the FTC will not conduct an investigation for at least two years.

#### More on Reaction to U.S. Demand

OW0809143794 Tokyo KYODO in English 1406 GMT  
8 Sep 94

[Text] Tokyo, Sept. 8 KYODO—The Finance Ministry intends to defer permission for life and nonlife insurance companies to diversify into the third-sector insurance service, such as nursing, in response to U.S. wishes, ministry sources said Thursday.

The ministry is in favor of issuing cabinet and ministry orders deferring for an as-yet specified period of years diversification into third-sector insurance in connection with the planned revision of the insurance law.

While the United States is asking Japan to make clear the period of postponement, Japan is in no position to accept that request, since acceptance would raise a legal problem, the sources said.

That policy will be made known to the U.S. side in working-level talks scheduled for Friday in Los Angeles, according to the sources.

The Insurance Law amendment, which the ministry plans to enforce from 1996, calls for liberalization in all the fields concerned.

If liberalization of the third-sector insurance alone is deferred by means of administrative guidance, a legal problem would result, the sources said.

Therefore, the ministry favors issuing orders giving the reasons for some deferment in diversification into the third-sector insurance.

#### Panel on Sheet Glass Market Opening Proposed

OW0909092394 Tokyo KYODO in English 0906 GMT  
9 Sep 94

[Text] Washington, Sept. 8 KYODO—Japan has proposed to the United States the establishment of a joint expert panel to measure the opening of its sheet glass market, Japanese sources said Thursday [8 Sep].

The sources said the proposal was made at a working-level meeting in Tokyo last month to work out a new framework for bilateral trade to open the Japanese market. The proposal calls for creation of a body comprising academics, and representatives of sheet glass industries of both countries. The U.S. is expected to respond to the proposal at a resumed session in Washington later this month, the sources said.

Japan also proposed business promotion activities in Japan for the U.S. sheet glass industry, and seminars and trade fairs to promote imports of glass products from the U.S., they said.

Japan also offered to provide loans to U.S. makers to help finance import promotion projects, including construction of warehouses and cutting facilities, they said.

Negotiations have been stalled over a U.S. demand that Japan voluntarily set a plan to increase sheet glass imports and order the Fair Trade Commission to investigate the Japanese glass industry to eliminate import barriers.

#### Madrid G-7 Talks To Include Foreign Exchange

OW0909083494 Tokyo KYODO in English 0817 GMT  
9 Sep 94

[Text] Tokyo, Sept. 9 KYODO—Finance Ministers and central bankers from the Group of Seven (G-7) major industrial nations will meet in Madrid with currency exchange rates as a major topic, Finance Minister Masayoshi Takemura indicated Friday [9 Sep].

"Together with Bank of Japan Governor (Yasushi) Mieno...there will be G-7, IMF (International Monetary Fund), and a spate of other international financial gatherings from late September through early October in Madrid," Takemura said in confirming the G-7 meeting.

Addressing an annual meeting of the Marine and Fire Insurance Association of Japan, he also indicated his intention to bring up the currency issue at the G-7 meeting.

"The dollar's further fall is undesirable," Takemura said, adding that Japan wants to continue cooperating with other nations to keep currency rates stable.

#### Tokyo's Calm Reaction to Phasing Out Nuclear Aid

OW0909082694 Tokyo KYODO in English 0741 GMT  
9 Sep 94

[Text] Tokyo, Sept. 9 KYODO—Japan's science and technology officials showed no strong reaction to a U.S. decision to phase out its program to provide key nuclear technology to Japan.

to shoot down high altitude missiles. Those which escape will be hit by PAC-3, the improved version of the Patriot missile. Currently 24 Patriot missiles have been deployed all over Japan. The option also calls for equipping the Airborne Warning and Control System (AWACS) aircraft with an infrared ray telescope calledIRST. Japan has already decided to procure four AWACS aircraft. If the deployment begins in 1995, it will be completed in 2004 and cost Japan \$4.5 billion (about 450 billion yen [Y]).

Option B is to deal with North Korea's Nodong-I and China's mid-range ballistic missiles. It proposes to deploy around Japan six aegis ships equipped with ballistic missiles. Under this option, in addition to Patriot missiles, which will be improved to the PAC-3 type, and four AWACS aircraft, a surveillance radar will be deployed in the southwest of Tokyo. The deployment will be completed in 2005 and cost \$16.3 billion (approximately Y1.63 trillion).

Option C is to cope with ballistic missiles possessed by North Korea and China. Under this option, six THAAD units will be deployed all over Japan to shoot down high-altitude missiles. In addition, PAC-3 Patriots, four AWACS airplanes, and a surveillance radar will also be deployed. The deployment will be completed in 2005 and cost \$8.8 billion (about Y880 billion).

Option D proposes to deploy five THAAD units, two aegis ships, PAC-3 Patriots, four AWACS aircraft, and a surveillance radar. The deployment will be completed during 2004 and cost \$8.9 billion (about Y890 billion).

Commenting on this U.S. proposal, a senior Defense Agency official said: "It is the result of the study by the Pentagon on ways for Japan to participate in the TMD project. It is aimed at providing Japan with materials which will help it decide whether to join in the project. Nevertheless, it is necessary for Japan to study the technical aspects of the project, such as its feasibility, before making a decision." His remark indicates that the agency intends to study the possibility of Japan participating in the TMD project through future talks with the United States.

#### **Official: Good Relations With U.S. Key to Peace**

BR0809141394 Milan PANORAMA in Italian 9 Sep 94  
p 72

[Unattributed interview with Masashi Nishihara, director of Japanese Defense Agency; place and date not given: "Who Is Afraid of Tokyo?"—first paragraph is PANORAMA introduction]

[Text] The fragile coalition between Socialists and Liberal Democrats is in danger of falling apart over the issue of Japan's military role, the issue which most divides the parties—even more so than the economy. PANORAMA discussed this with Masashi Nishihara, director of the Japanese Defense Agency.

[PANORAMA] How can the respective positions be reconciled when the ultra-pacifist Socialist Party has wanted to close down the American bases for years and considers the very existence of self-defense forces unconstitutional?

[Masashi] The secretary of the Defense Agency is a Liberal Democrat. This should reassure the military. Probably the compromise will be not to discuss military matters for a period of some six months—long enough to prepare for an early election.

[PANORAMA] Who threatens Japan's security?

[Masashi] The Russian threat has diminished, though Moscow still has a powerful military apparatus, and the possibility of the advent to power of such people as [nationalist leader] Zhirinovskiy does not leave us feeling entirely confident. Furthermore, there is the issue of North Korea, which has yet to be resolved.

[PANORAMA] Are you afraid of China?

[Masashi] No, China is only a potential threat, which can be contained if relations between Japan and the United States remain good.

[PANORAMA] How do you mean?

[Masashi] If Tokyo and Washington argue about trade matters and reach a serious cooling of relations, Japan will feel isolated and will have to increase both its defense budget and the size of its military apparatus. This will not please our Asian neighbors, especially the Chinese. The key to peace in this part of the world is good relations between Japan and the United States.

[PANORAMA] Is Japan still a pacifist country?

[Masashi] Our traditional pacifism, which is reflected even in the constitution, is diminishing. Only five years ago the majority of Japanese would have resolutely rejected the idea of sending our troops abroad. Now the principle has been accepted, albeit under the UN umbrella and on the understanding that there will be no fighting. A recent opinion poll conducted by the daily YOMIURI SHIMBUN states that about half the Japanese people are in favor of a revision of Article 9 of the Constitution, in a less strictly pacifist direction.

[PANORAMA] Do your Asian neighbors have some reason to fear Japan militarily?

[Masashi] At present we are not a threat to anyone: We spend 1 percent of our budget on the 230,000 volunteers of our self-defense force. This is nevertheless a considerable sum (\$43 billion) but 40 percent of it is spent on personnel, and \$6 billion is allocated to keeping the 45,000 American troops on our territory. The rest goes on armaments, whose production costs us a great deal, because we cannot offset it with revenue from military exports, which are banned by the constitution.

**Defense Chief Tamazawa To Visit U.S. 13-17 Sep**  
*OW0909043094 Tokyo KYODO in English 0333 GMT*  
*9 Sep 94*

[Text] Tokyo, Sept. 9 KYODO—Defense Agency Director General Tokuichiro Tamazawa's planned visit to the United States from Sept. 13 to 17 was approved by the cabinet meeting Friday [9 September].

Tamazawa will meet Secretary of Defense William Perry for the first time since Tamazawa took office in July as well as some members of congress during the visit, government officials said.

**Uganda Supports Tokyo's Bid for UNSC Seat**  
*OW0809132694 Tokyo KYODO in English 1313 GMT*  
*8 Sep 94*

[Text] Tokyo, Sept. 8 KYODO—Ugandan President Yoweri Kaguta Museveni on Thursday [8 Sep] threw weight behind Japan's bid to win a permanent seat on the UN Security Council [UNSC], Foreign Ministry officials said.

Museveni, in a meeting with Prime Minister Tomiichi Murayama, cited the need to revamp the council in tandem with the rise of UN members nearly half a century after the world body was formed, the officials said.

Saying the number of permanent seats on the council should be increased to nine from the current five, Museveni is reported to have said Japan and Germany are entitled to win the status in view of their economic performances.

The other two new seats should be allocated to countries in Africa, and central and Latin America, Museveni was quoted as telling Murayama.

Murayama, while thanking Museveni for his support of Japan's permanent membership on the council, expressed hope the Ugandan president's opinion will be reflected in debate on the reform of the UN body, the officials said.

"in any event, having heard the president's support for Japan's bid for a permanent council seat, I express my gratitude on this point," the premier was quoted as saying.

Murayama reportedly said Tokyo attaches importance to beefing up the function of the United Nations and is thus paying attention to discussion on the council's reform.

Japan and Germany were excluded from UN membership when the world body was founded in 1945. Permanent membership with veto power was awarded to the five victors in World War II—Britain, China, France, the Soviet Union and the United States.

In addition to the five permanent members, the UN body has 10 nonpermanent members rotating for two-year terms according to their regions.

In the 40-minute talk at Murayama's official residence, Museveni sought the Japanese Government's cooperation in boosting Japan's private investment in Uganda and expanding bilateral trade, the officials said.

Museveni, who arrived in Japan on Wednesday for a five-day stay, also expressed hope Japan will extend yen loans to Uganda to help the east African country improve investment infrastructure, the officials said.

Murayama reportedly replied Japan is willing to assist Uganda's efforts to turn itself around mainly through grants-in-aid and technical cooperation.

After the meeting, Chief Cabinet Secretary Kozo Igarashi, now serving as acting foreign minister, and Ugandan Foreign Minister Kirunda Kivejinja exchanged documents on a grant of up to 450 million yen to help Uganda increase food production.

The aid will be used to purchase agricultural equipment for boosting food production and achieving self-sufficiency in the future.

Earlier Thursday, Museveni and his wife, Janet Kataaha, had an audience with Emperor Akihito and Empress Michiko.

Meanwhile, in an exclusive interview with Kyodo News Service, [Ugandan President] Museveni advised Japan to allow Japanese peacekeepers to carry machine guns to defend troops and help maintain order at violence-marred refugee camps.

Museveni said peacekeeping operations in the camps surrounding the Zairian town of Goma are too dangerous to engage in without machine guns in view of rampant scuffles among refugees seeking to obtain the limited supplies of foodstuffs.

He accused the Hutu-dominated government in exile of waging a disinformation campaign to dissuade Hutu refugees from returning to Rwanda by spreading rumors that they would face bloody retribution by the Tutsi-dominated government for their past massacre of the Tutsi populace.

**Kono Urged To Be Cautiously Positive on UNSC**  
*OW0909083194 Tokyo KYODO in English 0747 GMT*  
*9 Sep 94*

[Text] Tokyo, Sept. 9 KYODO—Foreign Minister Yohei Kono should express Japan's readiness to play its part as a permanent member on the UN Security Council in nonmilitary fields, a ruling coalition panel said Friday [9 Sep].

The panel made the pitch in its agreement on how far Kono can go in clarifying Tokyo's stance on its permanent membership on the council when he addresses the UN General Assembly on Sept. 27.



The accord states that Kono should make clear Japan cannot take part in military action aimed at using force under its war-renouncing constitution, panel chairwoman Sumiko Shimizu told reporters.

Kono should also express Japan's readiness to play an active role as a permanent council member with the backing of its people and other nations, said Shimizu, a House of Councillors member of Prime Minister Tomiichi Murayama's Social Democratic Party [of Japan].

The accord also calls on the foreign minister to make clear in his UN speech that Japan will take the lead in revamping the United Nations so as to help the world body tackle such global issues as the environment, poverty and narcotics.

It also urges Kono to vow efforts for reduction of nuclear and conventional weapons, and arms control.

The Murayama cabinet is expected to discuss the outline of Kono's speech at its informal talks next Tuesday.

Meanwhile, the top government spokesman said the Murayama administration will draw up a policy on what should be included in Kono's UN address while honoring the ruling parties' accord.

"After Mr. Kono's scheduled return home Sunday, the government will start coordinating views on the matter," Chief Cabinet Secretary Kozo Igarashi said at a news conference.

"We wish to come to a conclusion while respecting such opinions," he said.

Kono, who doubles as deputy prime minister, is currently on a tour of Brazil, Argentina, Egypt and the United States.

#### **SDPJ To Set Five Conditions for UNSC Seat**

*OW0809120794 Tokyo MAINICHI SHIMBUN in Japanese 7 Sep 94 Evening Edition p 1*

[Text] The Social Democratic Party of Japan [SDPJ] held a meeting of its foreign affairs panel (chaired by Shigeru Ito) at the Diet building on the morning of 7 September, starting the process of adjustment within the party in an effort to support Japan's efforts to obtain a permanent seat on the UN Security Council [UNSC]. In concrete terms, the panel compiled five conditions for Japan's bid for permanent UNSC membership.

The five points are: 1) Japan must be able to claim the illegality of nuclear weapons from the standpoint of a non-nuclear nation; 2) Japan must be free to explain its view that it can fulfill its obligations in non-military areas such as human rights and environmental conservation; 3) Possession of a permanent seat on the UNSC member must be on the understanding that Japan is a major nation which places great emphasis on public welfare; 4) Japan should be free to obtain support from

neighboring nations, including South Korea and China; and 5) The public must support Japan's bid for a permanent UNSC seat.

The SDPJ says it intends to adopt a policy of seeking a permanent UNSC seat if these conditions are accepted. Although the move came after Prime Minister Tomiichi Murayama's recent remarks indicating his positive view of the issue, it is the first time the party has dealt with Japan's permanent UNSC membership in such concrete terms.

The Ministry of Foreign Affairs [MOFA], which is positively seeking a permanent seat on the UNSC for Japan, maintains that "Japan is able to display its individuality in nuclear disarmament efforts as a non-nuclear nation" and that "there is no difference between permanent UNSC members and other UN member nations in terms of military obligations."

At the meeting successive critics of the move spoke, saying: "The Foreign Ministry's decision to issue a statement saying possession of nuclear arms was not illegal has detracted from the authority of Japan as a representative of non-nuclear nations."

The panel compiled the points by considering what Japan can offer when it lobbies for permanent UNSC membership.

Touching on support from some south Asian nations for Japan's bid, Prime Minister Murayama said on 6 September: "Japan must consider how to live up to their expectations."

#### **Hashimoto To Attend Late Sep ASEAN Trade Meeting**

*OW0909095394 Tokyo KYODO in English 0903 GMT 9 Sep 94*

[Text] Tokyo, Sept. 9 KYODO—Japanese International Trade and Industry Minister Ryutaro Hashimoto plans to leave for Thailand on Sept. 21 to attend a Japan-ASEAN meeting of trade ministers, ministry sources said Friday [9 Sep].

Hashimoto and trade ministers from the six members of the Association of Southeast Asian Nations (ASEAN) will get together in Chiangmai, Thailand, on Sept. 24 to discuss a wide range of global trade and economic issues, the sources said.

Major topics will include the strong yen's impact on ASEAN economies, reforms of the ASEAN Free Trade Area (AFTA) scheme and a trade framework in the post-Uruguay Round era, the sources said.

They will also deal with Japan-ASEAN bilateral issues, including ASEAN's demand for freer Japanese markets and Japan's economic aid to ASEAN countries, they said.

The AFTA scheme, agreed at an ASEAN summit meeting in 1992, calls for ASEAN to cut tariffs on industrial products to a range between zero and 5 percent over 15 years from 1993.

The coming conference will explore the possibility of shortening the program's 15-year duration, the sources said.

Concerning Japan's economic assistance in the region, the conference will discuss expansion of such aid to include investment promotion and commercial-based assistance in addition to official development assistance (ODA), the sources said.

Hashimoto and ASEAN trade ministers are also expected to propose that economic ties be deepened between their countries and neighboring ASEAN nations, particularly those in the Indochina region.

The Japan-ASEAN trade meeting will be the third of its kind, following those in the Philippines in 1992 and in Singapore in 1993.

In Singapore, Japan unveiled an economic report containing prescriptions intended to ensure sustained economic recovery in the ASEAN region.

Based on this report, Japan proposed assistance including aid for ASEAN's supporting industries, cooperation in intellectual property rights and advice on product standardization and quality control.

The upcoming meeting, to be preceded by a conference of ASEAN trade ministers on Sept. 17., will review progress in these steps, the officials said.

Before proceeding to Chiangmai, Hashimoto will visit Bangkok, where he will present Japan's economic policy toward ASEAN in a speech to Japanese and Thai business leaders Sept. 22, the sources said.

ASEAN groups Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand.

### **Tokyo, Pyongyang Meet in Geneva, Beijing Assessed**

*OW0909095594 Tokyo KYODO in English 0901 GMT 9 Sep 94*

[Text] Pyongyang, Sept. 9 KYODO—Japanese officials met with North Korean officials in Geneva ahead of their earlier reported contact in Beijing in August in an effort to reopen talks over possible establishment of Tokyo-Pyongyang diplomatic relations, a source here familiar with Japan-North Korean affairs said Friday [9 Sep].

The Geneva meeting was designed to seek common ground on which to restart the stalemated negotiations, the source said.

According to the Pyongyang source, the Geneva contact served as a trigger for the Beijing session, but the Geneva

talks resulted in a more penetrating discussion, although both meetings failed to establish a new basis for renewing formal bilateral talks.

North Korea is insisting that the two sides renew talks without preconditions set on the dialogue, while Japan wants answers to questions on a number of issues, including the fate of a Japanese woman believed to have been kidnapped from Japan.

The woman reportedly taught a North Korean agent how to pose as a Japanese tourist, and the agent later planted a bomb on a South Korean jetliner that blew up over the Andaman Sea off Myanmar [Burma] in November 1987, killing all 115 passengers and crew.

The Japan-North Korea dialogue was suspended after the eighth round of talks in Beijing in November 1992 due to a dispute over the preconditions.

### **Sakigake Deputy Head Meets PRC's Hu Jintao**

*OW0909032394 Tokyo SHUKAN DAIYAMONDO in Japanese 10 Sep 94 p 85*

[Article by Shusei Tanaka, deputy head of Sakigake: "Hu Jintao, China's New Star"]

[Text] For four days from 22 August, I visited China one and a half years after my last visit. At the CPC's invitation, four other Diet members and myself made our first visit to China on behalf of Sakigake [Harbinger Party].

From the beginning, our visit had two clear purposes. The first was for Sakigake to establish official friendly exchanges with the CPC. Another was to observe the current Chinese situation and at the same time witness for ourselves the tragic traces of the ravages of the Japan-China war. In other words, an important mission was deepening our realization of history by observing not only the present but the past. For that reason, we were to refrain from asking important people to expressly arrange time to meet us, although we did not refuse such occasions. Our intentions had been relayed to the Chinese Embassy before our departure for China.

So, it was an unexpected that we had an opportunity to meet with Hu Jintao, member of the Political Bureau Standing Committee, who rarely meets with politicians [of other countries]. The meeting had been arranged at the request of the Chinese.

Hu Jintao was born in 1942 and is 52 years old. He majored in water utilization engineering at Beijing's famous Qinghua University. As an authority in hydro-electric power generation, he worked for several years as an engineer after graduation and debuted on the political scene after his personality and discernment had been gradually recognized. He was made a Central Committee member in 1982 and Guizhou Province party committee secretary in 1985. In 1988, he received the important post of Tibet regional party committee secretary. He was



made a Political Bureau Standing Committee member at the party convention in October 1992, when the CPC hoisted the banner of "socialist market economy." He was then only 50 years old. At the same time, he became the top Secretariat secretary, thus he has come to represent the CPC in place of General Secretary Jiang Zemin, who is concurrently head of the state.

The Political Bureau has 19 members. Of them, seven are standing members, including Jiang Zemin and Li Peng. They also concurrently hold important posts in the government and other organizations. The youngest of all, Hu Jintao is in charge of the vital CPC.

Hu Jintao is reputed to be China's new star, and the 21st century is said to be Hu Jintao's age. It is a quietly permeating voice spreading among the Chinese people.

Why should it be Hu Jintao? The answer was found by meeting him. It may sound exaggerated, but I can dare say that I discovered his special personality the very moment I met him.

I wondered whether he was naturally gifted with overflowing dignity. I have never seen a politician with full nobility as he. In difficult to govern Tibet, he was reported to have been admired and trusted by the Tibetan people. It is highly convincing that the tense nationalistic sentiment at his arrival at the post completely changed at the time of his departure. He naturally emanates good intentions, sincerity, warmth, and disinterestedness. Not a bit of a shady character could be found.

"Courage to make decisions, attention to concrete phenomenon, and undaunted willpower are necessary to succeed in life." That was what he said. He must have lived up to his creed. It is said he secretly called literary men, once criticized for their reforming ideas, and provided them with places of rest and study. This shows his tough mentality different from a simple young noble.

"Reason of politics" will fall into the depth at a breath, once it goes out of gear, bringing to reality an unbelievable period of insanity. Hitler's Germany and Stalin's Soviet Union were the examples. The period ranging from "the Great Leap Forward" to "the Cultural Revolution," in which Hu Jintao grew up, was also led by madness and it was a dark age in modern Chinese history when hatred went wild.

A number of difficult turning points lie in the way of China that continues to develop. Once the course were mistaken, it may be possible that an insane era might reappear.

I strongly feel that China will continue to advance in a desirable direction by the appearance of Hu Jintao, who is reputed to be the reappearance of Zhou Enlai. It is possible for a first-rate man of ability to come to the stage in a country where the man has no need to worry about elections nor the mass media.

### Tokyo Wants Taiwan Vice Premier To Visit

OW0809153994 Tokyo KYODO in English 1501 GMT  
8 Sep 94

[Text] Tokyo, Sept. 8 KYODO—Japan wants Taiwan to drop its plans to send President Li Teng-hui to the Hiroshima Asian games and replace him with Vice Premier Hsu Li-teh, a government source said Thursday.

"If it were the vice-premier of the Taiwanese Executive Yuan (attending the games), it might be acceptable," said the source who spoke on condition of anonymity.

His remark came a few hours after the Beijing government renewed its protest over an invitation by the Olympic Council of Asia (OCA) for Li to attend the Asian games.

The invitation has enraged China, which considers Taiwan part of its territory and believes that such a move would be tantamount to recognizing the Taiwanese Government as a separate, independent state.

The Japanese Government source said Tokyo will sit on the fence "for a few more days" monitoring diplomatic developments surrounding the negotiations among the OCA, Taiwan and China.

The source said he believes the OCA is trying to persuade Taiwan to forfeit its plan to send Li.

The OCA "is now talking to Taiwan so that every country can participate (in the games)," he said.

Vice Premier Hsu, a Harvard University graduate and former finance minister, is concurrently serving as chairman of the 2002 Asian Games Special Committee, a Taiwanese Government panel designed to secure an international accord to allow Taiwan to host the 2002 Asian games.

### Threatened With Goods Boycott

OW0809160594 Tokyo KYODO in English 1509 GMT  
8 Sep 94

[Text] Tokyo, Sept. 8 KYODO—A delegation of six Taiwanese lawmakers on Thursday suggested in a press meeting in Tokyo that they would seek a boycott of Japanese goods if the Japanese Government refuses to allow President Li Teng-hui to attend the Hiroshima Asian games in October. The delegation delivered a petition signed by 112 members of parliament urging Japan to allow Li to attend the games.

The mission said they are ready to boycott Japanese goods if Japan rejects Li's attendance at the Asiad. They also suggested they may press the Taiwan Government to raise import taxes on Japanese goods.

China has threatened to boycott the Asiad unless the invitation to Li, extended by Olympic Council of Asia (OCA) President Ahmad al-Fahad [name as received], is rescinded. The delegates are scheduled to meet with

Japanese legislators and will also hold talks with Hiroshima Mayor Takashi Hiraoka and officials of the Asiad organizing committee.

### **Saito on Planned Listing of Privatized State Firm**

*OW0809093494 Tokyo KYODO in English 0917 GMT 8 Sep 94*

[Text] Tokyo, Sept. 8 KYODO—Vice Finance Minister Jiro Saito on Thursday [8 Sep] brushed off taking any immediate actions in the market especially with the upcoming scheduled listing of the privatized Japan Tobacco Inc. (JT) stock.

Referring to languishing stock prices in Tokyo, Saito told reporters that he wants to "monitor (the market) for a while longer" as the market fall has only been seen in the last "day or two."

Asked about any possible changes in the scheduled JT stock listing, which is set for Oct. 27, he said, "it's still too early to talk about that."

In his press meeting Wednesday, Finance Minister Masayoshi Takemura also said the schedule for the JT listing remains unchanged.

Tokyo stock prices closed lower Thursday to post a fourth straight day of declines, with the key Nikkei stock average of 225 selected issues sinking below 20,000 for the first time since May 10 to end the day at 19,917.78, losing 106.02 points from Wednesday and some 736 points in four days.

Brokers on Wednesday attributed the fall to "Japan Telecom shock" as the newly listed telecom stock fell below its weighted public offering price, thus casting a gloomy cloud over the JT listing.

On Thursday, buying apparently from public funds helped the market rebound briefly, led by Japan Telecom stock, but it soon turned back lower, participants said.

The losing streak also came amid brighter economic signs. The bank of Japan's quarterly "TANKAN" survey of business sentiment further confirmed the recovering economy and comments by government officials suggested that a monthly economic report due out Friday would declare an end to the three-year recession.

### **Fiscal 1995 Budget Requests Up 4.8 Percent**

*OW0909021894 Tokyo KYODO in English 0152 GMT 9 Sep 94*

[Text] Tokyo, Sept. 9 KYODO—Requests for the fiscal 1995 national budget by ministries and government agencies totaled 76,570.98 billion yen, up 4.8 percent from the current year's initial budget, the Finance Ministry said Friday [9 September].

Finance Minister Masayoshi Takemura explained the requests at the day's regular cabinet meeting of the

government headed by Prime Minister Tomiichi Murayama, ministry officials said.

The 4.8 percent growth is the lowest in 11 years, down from the 6.1 percent rise shown in the fiscal 1994 budget requests, as a result of austerity in general operating expenditures, the officials said.

The ministry will drastically review its systems and priorities in screening budget requests to compile its draft budget, considering the increasingly severe financial conditions, they said.

The cabinet is to adopt a final budget plan in late December, if everything goes smoothly, they said.

Carefully watched requests for defense came to 4,726.9 billion yen, up 0.9 percent from the current fiscal initial budget, while those for Official Development Assistance (ODA) increased 7.8 percent to 1,146.1 billion yen, they said.

The request ceiling endorsed last July for ODA was a 7.7 percent rise.

Requests for the general fiscal loan and investment program, known as the second national budget, totaled 43,084.9 billion yen, up 9.3 percent from the fiscal 1994 initial program worth 39,408.2 billion yen.

The program is designed to improve social infrastructure such as roads and housing by utilizing funds collected through postal savings and pensions.

Among the requests for the program, those by housing-related government affiliates marked a sharp 20.1 percent rise to 12,469.5 billion yen.

Those related to smaller businesses increased 9.1 percent to 6,542.3 billion yen.

Requests for general operating expenditures—the core budget for defense, public works and other key spending that exclude debt servicing and tax grants to local governments—totaled 42,827.59 billion yen, up 4.8 percent from the initial fiscal 1994 budget.

The amount is the upper limit under the request ceiling imposed in late July, the ministry officials said.

Requests for special allocations on policy-priority public works came to 645.6 billion yen, more than double the 300 billion yen earmarked for such spending.

Outside the general operating expenditures, requests for debt servicing totaled 16,405.96 billion yen, up 14.2 percent.

Tax grants to local governments came to 15,471.1 billion yen, up 21.3 percent.

### **Special Diet Session To Discuss Patent Law**

*OW0809131994 Tokyo ASAHI SHIMBUN in Japanese 8 Sep 94 Morning Edition p 2*

[Text] The Ministry of International Trade and Industry (MITI) is about to seek a drastic revision of the Patent

Law to harmonize the Japanese patent system with international standards. The patent period will be extended to 20 years from the current 15 years, and patent applications written in English will be accepted.

On 7 September, the MITI minister's advisory Industrial Property Rights Council (chairman: Takehisa Inoue) completed a report entitled "Recommendation on Patent Law Revision." Based on the advisory report, MITI will finalize a revision bill and submit it to the forthcoming extraordinary Diet session.

Japan's Patent Law revision was decided in line with the Trade-Related Aspects of Intellectual Property Rights Agreement (TRIP) under the GATT Uruguay Round. Also, in the Japan-U.S. economic framework talks in August, the two nations agreed to speed up patent screening procedures.

The duration of patents is presently 15 years from the date of approval. Under the revised law, the period will be extended to 20 years from the date of patent request. Applications written in English will be accepted, but Japanese translations should be attached within two months.

In addition, the new Patent Law will control inventions of new materials created from nucleus manipulation technology. The 1959 Patent Law intentionally excluded the field from patent coverage to encourage development of the technology. Hereafter, protection of property rights in this technological field is expected to accelerate development of new medicines.

#### Policy Debate Among Political Parties Urged

OW0809125894 Tokyo YOMIURI SHIMBUN in Japanese 7 Sep 94 Morning Edition p 3

[Editorial: "Compete With Concrete Policy Differences"]

[Text] Prime Minister Tomiichi Murayama argued that "people-friendly politics means responsible politics."

This was in response to the old coalition parties' upholding "responsible politics" as their slogan—in opposition to the prime minister's "people-friendly politics"—and accusing the Murayama cabinet of being an administration which defers making policy decisions and goes against reform. These parties are planning to form a new-new party [shin shinto] and have been adopting an increasingly aggressive attitude.

"People-friendly politics," together with "politics that gives the people peace of mind" are emphasized by the prime minister as the main slogans of the Murayama administration. He has proposed the realization of political reform; deregulation; promotion of administrative, fiscal, and tax reform; and international contribution as a peace-loving nation as concrete expressions of the such politics.

On Murayama's part, what he wanted to say was: Despite the slight difference in wording, "responsible politics" advocated by the old ruling parties is, in essence, not much different from his politics.

The opposition parties, excluding the Japan Communist Party, announced their basic principles for forming the new-new party on 5 September. The document was entitled: "In Pursuit of Responsible Politics," and their main policies were summarized as: "steady promotion of reform," "creating a caring society that is worth living in," and "building a peaceful world."

These parties also mentioned continuation of political reform, promotion of administrative and fiscal reform, building solid foundations for a society of longevity and welfare, and farewell to the selfish notion of peace and prosperity only for Japan. It is extremely difficult to see how these are different from the basic principles and policies of the Murayama government.

In that sense, the prime minister was right in retorting: So how different are they from my policies?

Nevertheless, it will be a disservice to the citizens if the political parties limit their debate to the conceptual issue of "people-friendly politics" or "responsible politics" without going into specifics, or simply go on criticizing and slandering each other.

On the part of the ruling parties, which hold the reins of the government, they have to reach a conclusion on urgent issues, such as permanent membership of the UN Security Council [UNSC] and raising the consumption tax rate as soon as possible, and inform the people of their decision.

On the other hand, the opposition parties, inasmuch as they are planning to form a new-new party, have to demonstrate their difference with the Murayama administration, and lay down their policy options.

Looking at the debate within the opposition camp, what worries us is the confusion growing from the fact that it is an alliance of convenience.

For instance, the issue of the UNSC seat, or the choice between "small government" and "big government."

The Shinseito [Japan Renewal Party] asserts: "If Japan wants to move away from selfish nationalism, it should become a permanent UNSC member, and actively participate in the building of world peace"; and "to stimulate economic vitality on the part of the people, a small government with a clear sense of cost efficiency is better." However, Komeito and the Democratic Socialist Party are reluctant to agree completely to these.

As a result, the opposition parties failed to reach an agreement, and had to defer making a conclusion and forego including the above two theses in the basic principles of the new-new party. This was to avoid any discord before the new-new party is actually formed.



Therefore, the old ruling parties are not in a position to criticize the Murayama administration's political stance of deferring policy decisions.

To "realize responsible politics which does not defer decisions and proceeds firmly with reform," as the opposition parties stated in their "Appeal to the People" issued together with the announcement of basic principles, they have to start with showing the people their answers to concrete questions.

### **Murayama Faces First Electoral Test 11 Sep**

*OW0909062894 Tokyo KYODO in English 0549 GMT 9 Sep 94*

[Text] Tokyo, Sept. 9 KYODO—The government of Prime Minister Tomiichi Murayama, inaugurated in late June, will face the first electoral test of its popularity Sunday [11 September] amid conflicting results from public opinion polls by two major national newspapers this week.

Political analysts said the results of a House of Councilors by-election in the central Japan Prefecture of Aichi will also be a verdict on Murayama's political leadership and an indicator for the next general election of the House of Representatives, widely anticipated to take place next year.

The Aichi poll will be held to fill a vacancy created last month when Shoji Shinma lost his upper house seat after the Supreme Court turned down his appeal against a lower court ruling that he falsified his academic record in July 1992 election campaigning.

The race is being contested by seven candidates but seems to be virtually a showdown between Jiro Mizuno, a former UN official supported by Murayama's three-party coalition, and Yuzuru Tsuzuki, a former Labor Ministry official backed by all opposition parties except the Japanese Communist Party.

Most mass media report that Tsuzuki is slightly ahead of Mizuno, making the coalition rush to send Murayama and other leaders to the district to drum up support for its candidate.

The NIHON KEIZAI SHIMBUN, a major economic daily, reported Tuesday that the approval rating of Murayama's cabinet in the paper's latest public opinion poll has soared to 41.6 percent from 29.9 percent at the time of its inauguration. The disapproval rating was down from 42 percent to 32.9 percent.

The MAINICHI SHIMBUN newspaper, however, said a day later that the approval rating of Murayama's cabinet fell to 34 percent in its latest poll, down 6 percentage points from its July poll, although the disapproval rating also fell 7 points to 24 percent.

However, 38 percent of respondents to the poll said they are not interested in the cabinet, politics, or both—up 11 percent.

Murayama will also face another test next week—this time on the diplomatic front.

UN Secretary General Butrus Butrus-Ghali will arrive in Tokyo on Sunday on a four-day visit for talks with Murayama, Foreign Minister Yohei Kono and other Japanese leaders. A meeting with Emperor Akihito and Empress Michiko is also scheduled.

He will be accompanied by Yasushi Akashi, his special representative in the former Yugoslavia and mission chief of the UN protection force there.

Butrus-Ghali is expected to discuss with the Japanese leaders Tokyo's bid to become a permanent member of the UN Security Council, assistance to Rwandan refugees and possible restructuring of the United Nations.

Murayama, first socialist prime minister of Japan in almost four decades, had until last week expressed reluctance over Japan's becoming a permanent member of the Security Council, saying such a position could lead his country to adopt roles that are outside the bounds of its pacifist constitution.

However, he seemed to have changed his mind Tuesday when he told reporters in Nagoya, central Japan, that Japan must "consider how to live up to the expectations" of Southeast Asian countries.

The prime minister visited four Southeast Asian nations in late August, and their leaders supported Japan's bid for permanent Security Council membership.

The latest support came from the leaders of Australia, Thailand and Uganda this week when Murayama met them in Tokyo—Australian Prime Minister Paul Keating, Thai Prime Minister Chuan Likphai and Ugandan President Yoweri Kaguta Musaveni.

Only North Korea is openly opposed to Japanese membership, saying Tokyo is not qualified for that status unless it makes amends for its "blood-stained" record of aggression against its Asian neighbors before and during World War II.

Domestically, Murayama has also been under pressure.

Former Prime Minister Tsutomu Hata, who was kicked out of power in July by Murayama's coalition, urged him last week to step down, accusing him of a "passive" attitude toward the issue of permanent membership of the UN Security Council.

The ASAHI SHIMBUN newspaper said this week that about 70 percent of Diet members responding to a survey endorse Japan's quest for such membership.

But roughly half of those responding backed Japan's bid for the seat on condition that the country does not make a military contribution outside the bounds of its war-renouncing Constitution.

Among high-ranking foreign officials visiting Japan next week are British Foreign Secretary Douglas Hurd, Irish

Deputy Prime Minister and Foreign Minister Dick Spring, and U.S. Assistant Secretary of State Robert Gallucci.

Hurd will be in Japan from Friday [16 September] to Sept. 19, on the last leg of his four-nation Asian trip, to hold talks with Murayama and Kono on bilateral and international affairs.

Spring will arrive in Tokyo on Monday for talks with Kono during his three-day visit, after which he will visit China.

Gallucci, the chief U.S. negotiator with North Korea, will hold talks with Japanese officials on Pyongyang's nuclear program during his stay from Monday to Wednesday.

Economic figures to be released next week include those on corporate bankruptcies and trade, both for August. They will be released Wednesday.

#### \* Prospects for Murayama Government Discussed

942B0149A Tokyo SHUKAN ASAHI in Japanese 15 Jul 94 pp 26-27

[Interview with Shusei Tanaka by reporter Kazumi Yamaguchi: "Birth of Murayama Regime; Shusei Tanaka Speaks on 'Theory of Long-Term Murayama Administration'"; place and date not given]

[Text] *Speaking of "the one who created the coalition regime," this is the man. Under the Hosokawa regime, he served as the prime minister's special aide; and after the political reform laws passed, he proposed en masse resignation: acting chief of New Party Sakigake [Harbinger], Shusei Tanaka. Next he carried off the "great coalition" of the Liberal Democratic Party [LDP], Social Democratic Party of Japan [SDPJ], and Sakigake. We asked this disputant of the political realignment era about the significance and future of the Murayama administration.*

[Yamaguchi] What about the significance of the birth of the new Murayama administration?

[Tanaka] It meant bringing an end to the 1955 setup. Just as the cold war ended with U.S.-Soviet handshakes and cooperation, we put a final end to the 1955 setup also with LDP-SDPJ handshakes and cooperation. Properly speaking, it would have been good to have done it a little sooner, but anti-LDP and anti-SDPJ feelings naturally remained and carried some lingering heat. It is true some stiffness still exists; but political realignment has advanced by two or three long steps.

[Yamaguchi] What is the catchphrase for the new administration?

[Tanaka] I think it is "civil authority government."

Official authority government, the polar opposite of civil authority government, has a schema of the bureaucracy laying out even the design for state management, with some politicians supporting that. In contrast, what I call

civil authority government may be called government wherein, based on the popular will, politics exercises leadership for the nation's basic policies.

[Yamaguchi] It also is being called a "dove faction" administration, though.

[Tanaka] That is an abstract phrase, but the image is clear. We are aiming for an administration that will be called that. The Murayama-Takemura-Kono triangle of doves is very firm and strong. Moreover, they make up a single ideological current. From now on, when we are confronted with various policy issues such as becoming a permanent UN Security Council member or the matter of peacekeeping operations, this triangle may have a major function. In the course of that, naturally, if there are some who slip away there will also be those who come aboard. In the midst of that, political realignment will advance steadily.

[Yamaguchi] But why the SDPJ, and why Murayama as prime minister?

[Tanaka] In both the SDPJ and the LDP are people who think about the same. In its epitomizing of war or of constitutional issues, the SDPJ has long continued to have much in common with the old Liberal Party, which may be called the conservative mainstream. You may see that if you look into the thinking of former Prime Minister Miyazawa. In such areas is where there is a concordance.

[Yamaguchi] The ideas of the LDP and the SDPJ are quite different on issues such as the Self-Defense Forces, the national flag, and the national anthem. Can they work together?

[Tanaka] In certain areas there are emotional elements, so that I think the SDPJ is also agonizing about the future. Yet, by giving it time we surely can resolve these. In any case, the SDPJ will have to get its house in order; and yet among the things the SDPJ has long been concerned about are many that now finally will become essential. The nuclear power problem and such are typical of these; and it is because the SDPJ opposed it so much that we can say we have secured the safest in the world.

[Yamaguchi] On what points did you have the most trouble in setting up the administration?

[Tanaka] It was in reaching a firm agreement on the issue of getting a permanent seat on the UN Security Council, and taking decisive action on administrative reform. As it ran parallel with the current of the times, I had thought this administration would surely achieve that. So, I did no vote-counting.

[Yamaguchi] How about the SDPJ's wavering so greatly over returning to the coalition or forming an LDP-SDPJ coalition?

[Tanaka] I believe three main elements drove the political situation this time. One was the same idea as we had



on the milepost of political realignment, then the stance of giving priority to discussing the electoral system, and finally the people who see as a power game the matter of taking power or having power be taken—there being many such in the LDP. In addition, there was also such thinking as LDP versus non-LDP—these becoming intricately involved and making it extremely troublesome. In the end, however, that brought political fluidity.

#### **"Illicit Union" Criticism To Dissolve in Two Months**

[Yamaguchi] There also is criticism in the new administration of the "illicit union."

[Tanaka] That will quiet down in two months at most. To say that it's ridiculous for the LDP and SDPJ to join hands when they have had such bad relations is the same as to say that it's inexcusable for the United States and the former Soviet Union, which had such bad relations, to reconcile. It is a backward-looking argument. It does not bother me, because from now on we will prove by facts that it is not an "illicit union."

When the LDP and the SDPJ are in a coalition, it instead raises the chance that major reforms can be achieved. It also has the aspect of each being able to correct the other's bad parts.

[Yamaguchi] There are still many such old-style politicians in the LDP and SDPJ as down-and-out former rightwingers or agents of labor unions.

[Tanaka] In today's political situation such people exist merely as humorous oddities, like those who still affected samurai topknots in the Meiji era. They are being sloughed off naturally like old scabs.

[Yamaguchi] What will happen with the tax system, such as the boost in the consumption tax?

[Tanaka] Without administrative reform there'll be no tax-system reform. That is the fundamental stance of this administration. But, I personally think it would have been best to get agreement to pass a tax-system reform bill within this year. Setting the goal would make bold administrative reform easier.

[Yamaguchi] On what points do you differ from the Hosokawa and Hata regimes?

[Tanaka] I have a viewpoint on "ordinary regimes" and "special-mission regimes." The Hosokawa regime was a special-mission administration and, in the interest of political reform, it united people whose views differed. In that sense, now that we are in a diplomatically difficult time, with such issues as a permanent UN Security Council seat, somehow we needed to create something close to an ordinary administration. I think the present administration achieves that. What was intermediate and ambiguous was the Hata regime.

[Yamaguchi] When elections come, what will become of this LDP-SDPJ-Sakigake coalition?

[Tanaka] We still do not know. As we'll be going through political crises any number of times from now on, there probably will be dropouts and repeated changes of alignment. It may continue for several years before coming to an end.

If we make moves now with elections in mind, we'll lose our way. Not thinking about one's own election is very difficult; but those who think only about getting elected will be left behind by the flow of the times. The evolution of politics from now on will be so difficult.

[Yamaguchi] When will there be a dissolution of the Lower House and general elections?

[Tanaka] It may be best to put it off as long as possible. After all, it is desirable and kinder to the voters, too, to take on elections only after philosophically and ideologically making clear the features of Japan's form, the nation's course from now on and what kind of restructuring can be done. In that sense, too, the Murayama administration may—and must—become a stable regime and a long-term regime.

#### **\* Voting Results for Prime Minister Reviewed**

942B0150A Tokyo SHUKAN ASAHI in Japanese 15 Jul 94 pp 28-31

[Article by Yasuyuki Aoki, Yuichi Ichikawa, and Tomohiko Hayashi: "Birth of Murayama Regime; Ichiro Ozawa and the Judases—Nakasone, Michi, and Kaifu—Henceforth; Battle Over, Their Sun Is Setting"]

[Text] *While some say it is due to the chaotic times or to party council decisions being disobeyed, they cannot even assert that it was wrong. It is a "rationale for rebellion." Yet, how are those who abruptly changed their stance between the first ballot and the deciding vote or who were absent or abstained going to explain themselves to the public? We would like to see the group that went against their convictions even promptly leave the party and make their position clear. That is the way for political realignment to proceed.*

The real worth of a person may be judged in extreme conditions. On 29 June, when the vote was held to name a prime minister, Nagata-cho became "a zone of hope and betrayals."

Of course, even if called "betrayals," these were not merely rebellions against party leadership. Between the first ballot and the deciding vote there were even some who switched sides and cagily went for "the winning horse." One could at least call it a betrayal of voters who voted for one party to back a different party's Diet member as a candidate for prime minister.

Several hours after the vote naming the prime minister, former prime minister Toshiki Kaifu, in a back office of the Diet Building, had a visit from his good friend,

former Liberal Democratic Party [LDP] secretary general Keizo Obuchi (Obuchi faction chairman), once his junior in Waseda University's debating society.

Known as the secretary general who announced the new "Heisei" reign title when the Showa emperor died, Mr. Obuchi is a confidant of former prime minister Noburu Takeshita. Mr. Kaifu also relies on Mr. Takeshita for some things. Hearing that Mr. Kaifu was trying to leave the LDP and become a prime ministerial candidate of the former ruling coalition parties, Mr. Obuchi had come to persuade him to drop the idea. Due to that, Mr. Kaifu's press conference was postponed as much as an hour and a half.

The LDP secretary general with whom Mr. Kaifu joined forces when prime minister is Mr. Ichiro Ozawa, secretary general of Shinseito [Japan Renewal Party] and now antagonistic toward both Mr. Takeshita and Mr. Obuchi. Because of those relationships, it was being whispered about that perhaps Mr. Kaifu would defect from the LDP. Yet, surprisingly, there are some (close to him) who think "Mr. Kaifu does not believe Mr. Ozawa has his heart in appealing for political reform." They say that is because, when the former political reform bills on which he had staked his political future failed, he resolved to dissolve the lower house; but Mr. Ozawa blocked that and drove him from the premiership.

At his press conference, where spirited words might have been expected, Mr. Kaifu became teary-eyed as he said, "I have my grudges, too; but I'd like to surmount them and continue to breathe life into political reform."

At the eleventh hour, anyone might puzzle over whether to give priority to insisting on principles or to calculating one's interests. Mr. Kaifu says, "I ruled out our chances of winning." Although we cannot take that at face value, we may be able to say that he closed his eyes to his grudge against Mr. Ozawa and chose to "insist on the principle" of political reform.

As he passed in front of Mr. Takeshita's seat at the lower house plenary session for naming the prime minister, Mr. Kaifu lowered his head in an apologetic manner. The next day, the 30th, he attended a meeting of the chiefs of the old ruling coalition parties, but soon left, letting drop that "there is a temperature difference from my views." In light of such words and actions, it does not appear that Mr. Kaifu will soon be joining Shinseito.

This is a somewhat complex matter, but Mr. Kaifu, who opposed a "Murayama dove-faction regime," was a pet disciple of the late former prime minister Takeo Miki and was known as one of the dove faction. However, the very first one to express support for Mr. Kaifu in the LDP was former prime minister Yasuhiro Nakasone, who is no dove.

From the point of view of Mr. Nakasone, who fancies himself to be "Mister LDP," it was unthinkable for his

precious LDP to back Tomiichi Murayama, Social Democratic Party of Japan [SDPJ] chairman. Nor would he put up with again isolating his follower, former deputy premier Michio Watanabe, who cheers on Ozawa. If he himself were to lead large numbers of his sympathizers out of the LDP and create a Kaifu regime, it would ultimately take the form of the LDP swallowing up Shinseito. So he seems to have thought.

Yet, when Mr. Nakasone tried to enter the lower house plenary session, his close associate, former Executive Council chairman Koko Sato, and Watanabe faction official Yoshinobu Shimamura said, "Don't do anything rash," and frantically restrained him, repeating that "these are the halls of the Diet" and "a high-level meeting is under way." That is why Nakasone was absent for the first balloting. Typical of the "weathercock." But, it would have meant he had lied if, short of going so far as to hold a press conference and proclaim his support of Kaifu, he had left things as they were. So, in the deciding ballot, where the outcome could be seen, he voted for Kaifu.

With the decisive vote over, Nakasone came out and said, "I have several ideas," and laughed with unwonted cheerfulness.

By Nakasone's reasoning, his actions are not acts against the party. Instead, to him it was party secretary general Yohei Kono, who put the SDPJ chairman in as prime minister and gave himself the next lower rank as deputy prime minister and foreign minister, who seems to look down on the LDP. Somehow, he does not himself seem to be of a mind to leave the party.

In the LDP "rebel group" were some young hands. Seiko Noda, 33 years old and a first-year Diet member, went to the Diet floor carrying her district's prefectural assembly protest message appealing for "total opposition" to naming Mr. Murayama, and she voted for "Toshiki Kaifu" from the first ballot to the deciding vote. While she reportedly is a direct affiliate of Kaifu, she says, "I wasn't especially asked (for my vote). From the outset I didn't think Mr. Kaifu would come out as he did. For my part, I didn't want anything like his announcing secession from the party. With this, party elders who thought I'm a cute little thing who'll heed whatever they say may change their views of me," thus proclaiming her "break from being an idol." It was said of Ms. Makiko Tanaka, also a first-year Diet woman who was named director general of the Science and Technology Agency, that she "was stupid" in the recent matter. Conversely, though, SDPJ "rebel" Makoto Tanabe, the former secretary general, and Shinseito Diet members asked to shake her hand. Showing a roguish spirit, she said, "From such an experience, maybe even I may become head of the party. Might not Mr. Kono even switch sides (from the Shinjiyu Club [New Liberal Club])?"

#### **Mr. Ozawa To Have First Opposition Party Experience**

Norihiko Akagi, a 35-year-old second termmer, also voted for Kaifu throughout. "Mr. Kaifu is a man who was

toppled when half way to his goal. He did not get to put the finishing touches on political reform," he says giving his reason for supporting him. When asked what he would do if punished, he stammers out, "I cannot respond to hypothetical remarks." So, he seems concerned after all.

Even the Sakigake [Harbinger] new party had a rebel, even if just one. He is Katsuyuki Ishida, serving his first term. He apparently also opposed the resolution of no-confidence in the Hata cabinet, and says he spent four-and-a-half hours from 0200 to dawn arguing strenuously with Diet member Masayoshi Takemura (now finance minister). Mr. Ishida, who had two terms as an LDP assemblyman in the Saitama prefectural assembly, explains, "As one who stood firm against the reformist prefectural government of former governor Yawara Hata, I could not write in the name of the SDPJ chairman, as that would be a betrayal. I had the option of inserting a blank ballot, but could not have justified that to the public." He also adds, "It is not that I rebelled, but that Sakigake changed. When the party was first formed they said nothing about joining a coalition government with the SDPJ. Then Mr. Takemura began saying Mr. Ozawa is no good and it was like a fight between a cobra and a mongoose."

Among LDP Diet members there were 18 who voted consistently for Kaifu, but also 15 in the "side-switching group" who changed the names on their ballots between the first and second votes.

Of the three who changed from Kono to Murayama, former education minister Hikaru Matsunaga had this logic: "In party politics, we have the principle of choosing our respective party chiefs. So, at first we write down Yohei Kono; and when it comes to the decisive vote, we go along with the general trend of the party. It is nothing at all like a rebellion."

Within the SDPJ and Goken Minshu Rengo [Democratic Alliance To Safeguard the Constitution], there was one who followed the same pattern as Mr. Nakasone—from not voting to voting for Kaifu. He is Yanosuke Narazaki.

He says, "For the first ballot I was in the chamber, but did not vote, because I wanted to watch the situation. As I entered the Diet at the same time as Mr. Kaifu and am keen about political reform, I thought he might be good. Long ago the SDPJ had a big to-do over the antisocialist association faction leaving the party; but it was precisely those who spoke stirring words who didn't act when it came to a showdown. This time, too, Hirotaka Akamatsu (former secretary general) is representative of the traitors."

Still, in Mr. Akamatsu's case, he voted for Mr. Murayama and did not rebel against the party leadership. He is chief secretary of his party's "democrats" group. Aiming initially for a return to the former ruling coalition parties, he opposed supporting Mr. Murayama.

Yet, just before the balloting he assembled the members and instructed them, "By decision of the chief secretary, we will go for Mr. Murayama. If anyone just can't do this, we'll leave it to individual judgment." By not having rebelled, they were to be called "traitors." We simply cannot understand that.

Among the "democrats," Shoji Motooka of the upper house, who voted for Mr. Kaifu, says, "Akamatsu made the excuse that, 'since it is a decision of the party council, we have no option. I also have my station as a former secretary general.' But, I'd like to have shown a blank ballot, abstained, or something. Because I hated being thought of as nothing but words, I showed them by my action. As usual, I was tense and shaking."

On the future of "the democrats," he says, "This time we had inadequate strength and hadn't readied the conditions for forming a party. Still, "X day" will come for sure. I don't mean in the near future, though."

The votes of the "democrats" did not flow to Mr. Kaifu as much as the former ruling coalition parties had expected because, "not only had our own party's chairman become a candidate for premier, but also Mr. Nakasone was supporting Mr. Kaifu, making it hard for us to go along," says an SDPJ officer.

That is the general view. So, for Mr. Kaifu and the former ruling coalition parties Mr. Nakasone's support turned out to be an embarrassing favor.

On the other hand, in the upper house there are also people like Yasumatsu Hoshikawa (representative of Minshu Kaikaku Rengo [Democratic Reform Parliamentary Group]—the upper house wing of the former coalition parties), who voted for Mr. Murayama despite being a member of "Shin Ryokufukai," the faction of the former ruling coalition parties.

He says, "Shin Ryokufukai's by-laws call for the faction not to impose restraints. So, in my case rebellion does not apply."

His reason for not voting for Mr. Kaifu was Mr. Ozawa's political methods: "Despite its seeming as though we'd be able to reach a compromise with the SDPJ, they rejected us forcefully. We can't tolerate that. Since Mr. Ozawa has never been in an opposition party, if he'll step down just once into the opposition and consider the standpoint of others, Shinseito and Japanese politics would be improved."

Mr. Ozawa said on the 30th, "I'd like to rest for a while," and tendered his resignation as the party's managing director. Besides the criticisms issued from inside and outside the party, might opposition party life, which he is experiencing for the first time in his life, be telling on him physically?



**SHUKAN ASAHI Diagnostic Chart: "Rebellion Sickness of LDP, SDPJ, and Sakigake Diet Members"**

|                                              |                                                  |                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                     |
|----------------------------------------------|--------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Symptom                                      | Voting action From First Ballot to Deciding Vote |                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                     |
| Patients                                     |                                                  |                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                     |
| LDP                                          | SDPJ, etc.                                       |                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                     |
| Those with an itch to ride the winning horse |                                                  |                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                     |
| Winners                                      | Kaifu to Murayama                                | Jitsuo Inagaki, Takeshi Kataoka                                                                                                                                                                                                                                                               | Shogo Ohki                                                                                                                                                                                          |
|                                              | Kono to Murayama                                 | Inaba Yamato, Susumu Hasumi, Hikaru Matsunaga                                                                                                                                                                                                                                                 |                                                                                                                                                                                                     |
|                                              | Blank ballot to Murayama                         | Ichizo Ohara                                                                                                                                                                                                                                                                                  | Yu Amioka, Daikichi Ishibashi, Shigeru Goto, Azuma Koshiishi, Kanju Sato, Taisuke Sato, Yuzuru Shimasaki, Kenji Taguchi, Takanobu Nagai, Ichiro Hino, Ritsuo Hosokawa, Tsutomu Yamamoto, Sadao Wada |
| Losers                                       | Kaifu to Kaifu                                   | Norihiko Akagi, Hiroshi Imazu, Toshiki Kaifu, Takeo Kawamura, Muneo Suzuki, Tsutomu Takebe, Yuji Tsushima, Eiichi Nakao, Masaaki Nakayama, Seiko Noda, Takeshi Noda, Akihiko Noro, Yasukazu Hamada, Hidefumi Minorikawa, Mikiharu Yasuoka, Shunichi Yamaguchi, Yuji Yamamoto, Michio Watanabe | Akihiro Ohata, Minoru Kawashima, Masao Sakon, Ryuichi Doi, Masao Nakamura, Ikuo Horigome, Kenji Yoshioka, Katsuyuki Ishida (Sakigake)                                                               |
| Those taken with themselves                  |                                                  |                                                                                                                                                                                                                                                                                               |                                                                                                                                                                                                     |
| Those who dropped out                        | Kaifu to blank ballot                            | Bunmei Ibuki, Kazuya Ishibashi Tatsuo Sato, Ryotaro Tanose Ryojiro Nakajima, Hisao Horinouchi                                                                                                                                                                                                 |                                                                                                                                                                                                     |
|                                              | Kono to blank ballot or abstention               | Susumu Nikaido, Sadanori Yamanaka                                                                                                                                                                                                                                                             |                                                                                                                                                                                                     |
| Those who dodged the issue                   | Blank ballot to blank ballot                     | Sosuke Uno, Ryu Shionoya, Shoichi Nakagawa, Keiji Furuya                                                                                                                                                                                                                                      | Nobuyuki Sekiyama, Shoichi Tanaka, Makoto Tanabe                                                                                                                                                    |
| Those who were laid up                       | Absent (Were they really sick?)                  | Toshio Komoto, Masayuki Fujio                                                                                                                                                                                                                                                                 |                                                                                                                                                                                                     |
| Diagnosis impossible                         | Absent or abstained to Kaifu                     | Yasuhiro Nakasone                                                                                                                                                                                                                                                                             | Yonosuke Narazaki                                                                                                                                                                                   |

Now then, the one person in the upper house who voted neither for Mr. Kaifu nor for Yohei Kono is Kensaku Morita, known as "the young maestro."

Mr. Morita, after being elected as a coalition candidate with the support of both the SDPJ and the Democratic Socialist Party [DSP], entered a faction of the DSP, drawing a fierce reaction from the SDPJ. Yet, he opposed the adoption of the four laws bearing on political reform, not heeding what the DSP said. Next, he joined the LDP. Actions in disregard of party councils are now his "forte." When asked about his real intentions, he turned serious and said, "Since I am an LDP Diet member, I simply wrote down the name of our party chief. That's natural, isn't it?" And he abruptly clammed up.

In this recent drama of designating a prime minister, it seems that from Diet members' respective ideas and beliefs their judgment, courage, and even quality became apparent.

**More Opinions on Economic Recovery Reported**

**Finance Minister 'Cautious'**

OW0909040594 Tokyo KYODO in English 0357 GMT 9 Sep 94

[Text] Tokyo, Sept. 9 KYODO—Finance Minister Masayoshi Takemura remained cautious Friday [9 September] about describing Japan's economy as in recovery, although a recent government monthly report was optimistic.

After reading the September report compiled by the Economic Planning Agency (EPA), "I felt optimistic about a recovery" Takemura told reporters after a cabinet meeting.

"But the economy is still recovering ... and is in a delicate stage," he added, refusing to interpret the report as declaring an end to the longest postwar recession of 40 months since May 1991.

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The EPA said in its September report that the economy "is moving toward recovery at a gradual pace."

This comparatively rosy assessment, an advance from their previous report that the economy was merely "pulling out of the slump," was endorsed at a morning meeting of relevant ministers.

Asked about opinions in the ruling coalition parties on shortening the time lag between the planned multiyear tax cuts and financing a rise in consumption tax, Takemura said, "it all depends on the economic trend," suggesting the possibility of a change from the widely recognized period of three years.

Brushing off possible U.S. criticism, Takemura said, "we have never made definite promises to the United States, such as in one, two, or three years, and our official comments were only to avoid (the tax rise) when the economy is still in bad shape."

During the summit of the Group of Seven major industrialized nations in Naples in July, Japan promised as an economic measure to put comprehensive tax reform into law by the year-end, including multiyear tax cuts to continue the 5.5 trillion yen cuts in income and resident tax, which are now limited to the current year.

A team from the ruling coalition is in the final stage of compiling a framework for tax reforms, to be presented next week to the coalition parties and the government for their policy decisions by the end of the month in drafting reform bills.

Party leaders are also set to hold meetings next week to narrow the still-remaining gaps, such as whether to include the tax cuts and rise in a single package of reform bills, and the most thorny issue of the scale of a rise in consumption tax.

The government must submit the tax reform package at an early stage of an extraordinary Diet session, expected to begin in late September or early October, in order to complete legislative procedures by the year-end.

#### **Takemura, Mieno Comment**

*OW0909081194 Tokyo KYODO in English 0738 GMT 9 Sep 94*

[Text] Tokyo, Sept. 9 KYODO—Japan's two financial heads both expressed a rosy view of the future Japanese economy in speeches Friday [9 Sep], with Finance Minister Masayoshi Takemura agreeing for the first time with Bank of Japan Governor Yasushi Mieno.

The central bank chief repeated his recent assessment that the economy is "headed toward a recovery" although some negative factors prevail to "slow the pace in near term."

Agreeing with Mieno's speech, Takemura said the economy "is headed moderately toward recovery,"

making a more optimistic assessment than in his recent comments that the economy was "pulling out of a slump toward a recovery."

The two financial heads were speaking separately to an annual meeting of the Marine and Fire Insurance Association of Japan.

Takemura's brighter view was in line with a monthly economic report released earlier Friday by the Economic Planning Agency (EPA). In his earlier press conference soon after the report was released, Takemura said, "the economy is not yet recovering...and is in a delicate stage."

Virtually declaring economic recovery, to put an end to the longest postwar recession of 40 months since May 1991, the EPA said in its September report that the Japanese economy "is moving toward recovery at a gradual pace."

This comparatively rosy assessment, an advance from its previous report that the economy was merely "pulling out of a slump," was endorsed at a morning meeting of economic ministers.

Concerning foreign exchange rates, Mieno told the insurers' gathering, "fortunately, the market has recently been in a state of remission."

But the two financial heads said that a further careful watch on rates is needed, and said they will continue taking "appropriate and timely" actions to maintain stability.

Together with lingering concerns over a future rise in the yen, Mieno reiterated that "adjustment pressures" in corporate capital investment and labor conditions prevail to "slow the pace in the near term" of an overall economic recovery.

He said the central bank will continue "carefully checking the pace and sustainability" of recovery to decide its monetary policy.

As for the bright spots, the two financial heads cited personal consumption as the major cause of improving business activities.

Mieno also said that exports are increasing "somewhat" in step with expanding overseas economies.

Against this backdrop of improving personal consumption and exports, Mieno said industrial production is expected to remain robust in the July-September period, following the previous quarter, and corporate sentiment is clearly showing improvement.

"These are all results of various stock adjustments and corporate restructuring efforts as well as the large-scale policy measures so far," Mieno said, brushing off any need for imminent additional measures such as a cut in the official discount rate.



Science and Technology Agency chief Makiko Tanaka told a press conference that she will wait for the outcome of a U.S. investigation, to be announced within 60 days, into claims of illegal nuclear technology transfer to Japan.

"We don't want to make any rash actions based only on currently available information. We would like to make an in-depth analysis of the background (of the U.S. decision)," she said.

The U.S. Energy Department, responding to environmental group Greenpeace's charge that the United States illegally transferred nuclear technology to Japan, said it is phasing out a collaborative research program with Japan on plutonium reprocessing and breeder reactor development.

The department said it will investigate the agreement to determine whether the technology transfer was illegal and will announce the results within 60 days.

Tanaka, who is scheduled to attend an International Atomic Energy Agency (IAEA) conference in Vienna from Sept. 19, said the issue may be an important topic in her scheduled meeting there with U.S. Secretary of Energy Hazel O'Leary.

Meanwhile, Koji Yamamoto, an official of the Japanese agency in charge of reactor development, said he does not believe the U.S. transfer of technology under the 1987 collaborative research pact constitutes a violation of the U.S. law which prohibits the export of sensitive nuclear technology.

#### **U.S. Urges Tokyo Take Further Steps on Economy**

*OW0909062994 Tokyo KYODO in English 0555 GMT 9 Sep 94*

[Text] Washington, Sept. 8 KYODO—Senior U.S. officials urged Japan on Thursday [8 September] to do more fiscally to pull the economy out of its years-long slump.

In a series of meetings with Japan's International Trade and Industry Minister Ryutaro Hashimoto, the U.S. officials also called for more stability in foreign exchange rates, Japanese officials said.

Laura Tyson, chairwoman of the Council of Economic Advisers, told Hashimoto that Japan's economic problems stem from its external current account imbalances.

She urged extended tax cuts and a boost in Japan's 430 trillion yen public works program to help the economy pick up and thereby trim the surplus.

Hashimoto replied the Japanese Government is finalizing its plan on tax reform and a review of the public works program covering the last 10 years of the century.

White House economic adviser Robert Rubin also said that tax cuts should precede tax hikes in planned reforms

and that hikes should be implemented only after the Japanese economy has fully recovered.

Meanwhile, Hashimoto and U.S. Federal Reserve Board Chairman Alan Greenspan agreed that wide ups and downs in foreign exchange rates will hurt not only Japan but the global economy.

Greenspan was not optimistic regarding the Japanese economy, predicting it needs several more years to entirely recover from the aftereffects of the collapse of the "bubble" economy.

Before meeting with Greenspan, Hashimoto told reporters that bilateral "framework" trade negotiations have not progressed much toward agreement.

But he mentioned the possibility of the talks reaching agreement before the U.S.-imposed deadline of Sept. 30 for possible trade sanctions against Japan.

Hashimoto stopped over in Washington for talks with senior U.S. officials before attending a quadrilateral meeting of trade ministers from the United States, Japan, Canada and the European Union that opens in Los Angeles on Friday.

#### **Pentagon's TMD Project Offered, Options Described**

*OW0909103894 Tokyo SANKEI SHIMBUN in Japanese 6 Sep 94 Morning Edition p 1*

[Text] It was learned on 5 September that the Pentagon had presented Tokyo with four options—dubbed Option A, B, C, D—concerning Japan's participation in the Theater Missile Defense (TMD) project, which has been studied to counter possible missile attacks by North Korea (the DPRK) and China. According to the U.S. document presented to Japan, which SANKEI SHIMBUN has obtained, if Japan participates in the TMD project, the United States will help it improve its surface-to-air (Patriot) missiles to the level of the advanced PAC-3 model and urge Tokyo to introduce a theater high altitude area defense (THAAD) system. The document is titled "Options for Japan's Theater Missile Defense." The government has so far said Japan's participation in the TMD project is "under examination." But now that the United States has strongly called on Japan to participate in the project by proposing specific measures, the government will be urged to make a decision.

The contents of the "Options for Japan's Theater Missile Defense" were disclosed at a Japan-U.S. working-level security meeting held in Washington in May. Officials of both countries in charge of foreign and defense affairs attended the meeting. The document explains systems, necessary equipment, costs, and equipment deployment plans under each option.

Option A is designed to counter North Korea's "Nodong-1" missile. Under this option, two aegis ships each equipped with 36 ballistic missiles will be deployed

Meanwhile, both Mieno and Takemura urged nonlife insurers to continue their positive efforts to liquidate nonperforming loans and also to facilitate fund-raising by companies in the improving economy.

### **EPA: 'Moving Toward Recovery'**

*OW0909012694 Tokyo KYODO in English 0110 GMT 9 Sep 94*

[Text] Tokyo, Sept. 9 KYODO—Japan's economy is moving toward recovery, the Economic Planning Agency (EPA) said in a report Friday [9 September], effectively recognizing the end of the longest postwar recession.

"The national economy is in an adjustment phase, notably of corporate capital investment and others. But bright signs have been spreading recently, and it is moving toward recovery at a gradual pace," the agency said in the monthly economic report.

Akira Sadahiro, a senior economist at the agency, told reporters the government's economic report, endorsed by a cabinet meeting under Prime Minister Tomiichi Murayama, recognizes the situation only for the month, and the judgment is subject to change month by month.

Reflecting that attitude, the agency thus added in the report, "On the other hand, there are apprehensive factors such as the recent developments in the foreign exchange (markets)."

The wording of the judgment was, however, notably more optimistic than in previous month's report, where it said the economy was "pulling out of a slump."

The Bank of Japan earlier confirmed upward movements in the economy in its quarterly "tankan" survey of business confidence released earlier this week.

The EPA apparently remained cautious in making a clear-cut declaration of an end to the recession, leery of repeating the same mistake it made in June last year when it declared a bottoming out of the economy only to see a further collapse.

Japan's economic downturn has dragged into its 40th month since May 1991.

According to the agency's latest report, bright signs were seen in personal expenditures, industrial output and inventory, and corporate confidence.

But corporate capital investment has not picked up entirely, and the employment situation remains quite severe—both making uncertain the prospects for a continued economic recovery.

On personal consumption, it said a notable recovery was seen in spending on durable goods such as new cars and sales at supermarkets.

The number of new car sales increased 2.4 percent in July from a year earlier, and picked up a preliminary 9.6 percent in August.

Industrial output had ups and downs but became firmer than before, and inventories showed declines over two straight months from June, according to the report.

Citing the central bank's "tankan" survey for August, it said corporate profits are bottoming out, and confidence has improved.

Areas of concern included capital investment, which remained generally sluggish although increases were seen in some industries.

Capital spending plans for fiscal 1994 in the manufacturing sector showed a year-on-year decline of 6.6 percent as of June, down 3 percentage points from May.

The report said the employment situation continued to be sluggish, particularly in the manufacturing sector.

The ratio of jobs openings to job seekers stood at 0.64 to 0.62 from May to July, and the unemployment rate rose at a seven-year high of 3.0 percent in July, the second worst record in the postwar period.

The agency said the employment data lagged behind data for the entire economy. The poor employment situation will undermine upward momentum in personal consumption and is therefore a threatening factor, it said.

The EPA's Sadahiro said there is pessimism that personal expenditures may lose their momentum after the summer, which saw a much-longed-for increase in consumer spending—particularly on air conditioners due to the unusually hot weather.

He said, however, salaried workers' monthly income increased 8.2 percent in June due to a government tax-refund policy, which was implemented as a means to stimulate the economy.

The increase may show up in statistics from now on, he said, adding even if consumption falls, it will not weaken suddenly.

Sadahiro also said the decline in corporate capital spending was smaller than expected, considering the recent sharp appreciation in the yen's value on foreign exchanges.

Excess in production capacity seen in previous months is also disappearing, he said, indicating the situation in capital spending is not all bad.

As for the adverse effect of the strong yen on foreign exchange markets, Sadahiro said the strong yen is a continued threat to the Japanese economy, but so far, favorable effects such as declines in import prices have outweighed bad effects.

### **Komura: 'Headed Toward Recovery'**

*OW0909071494 Tokyo KYODO in English 0510 GMT 9 Sep 94*

[Text] Tokyo, Sept. 9 KYODO—The government on Friday [9 September] said Japan's economy is headed

toward recovery but stopped short of officially declaring an end to the longest postwar recession, that has continued since May 1991.

Economic Planning Agency (EPA) Director General Masahiko Komura said his agency believes the economy is moving toward recovery, based on movements of private consumption, production, capital investment and corporate confidence, but that the economy has not yet got on a full-scale recovery path.

The EPA's monthly report, endorsed at a morning meeting of economic ministers, said, "the national economy is in an adjustment phase, notably of corporate capital investment and other (factors). But bright signs have been spreading recently, and it is moving toward recovery at a gradual pace."

Remaining cautious, Komura said of the report at a press conference after a regular cabinet meeting, "we do not think it is a declaration of an economic recovery."

Komura cited the yen's rise against the dollar in the currency market as the biggest remaining concern.

At a separate press conference, Finance Minister Masayoshi Takemura said, "I felt optimistic about a recovery. But the economy is still recovering ... and is in a delicate stage."

Earlier in the day, Prime Minister Tomiichi Murayama told reporters that he regards the situation as indicating emerging optimism, rather than an economic recovery, and referred to concern over foreign exchange rates.

"Capital investment remains sluggish. We will continue meticulous economic management," Murayama said.

In contrast to growing optimism in the government, the business sector remains much more cautious about the economic outlook, with top management voicing concern.

Takeshi Nagano, president of the Japan Federation of Employers Association (Nikkeiren), said that only some improvements were seen in the economy and measures have yet to be taken to cure structural factors causing the present worst postwar recession.

"Private consumption has improved, but that largely depended on temporary factors such as the income tax cut and the scorching summer," Nagano said, "so, I am not optimistic about the outlook."

Shoichiro Toyoda, chairman of the Federation of Economic Organizations (Keidanren), said, "as the management, we do not really feel a sense of recovery."

Toyoda mentioned the yen's appreciation, the employment situation, and a sense among industrialists that they have an excess of capital equipment, as worrying factors. "The economy is only pulling out of the worst time," he said.

He urged the government to carry out measures to counteract the stronger yen, based on careful economic judgment.

The EPA's report also showed concern over the yen's appreciation.

Its tone, however, was clearly more optimistic than in the previous monthly report, which shunned the word "recovery" and only said the economy was "pulling out of a slump."

According to the EPA's latest report, bright signs were seen in personal consumption, industrial output and inventory, and corporate confidence.

But corporate capital investment has continued declining on a broad front, and the employment situation remains quite severe, the report said, suggesting both these factors cloud the prospects for a continued economic recovery.

On personal consumption, it said signs of recovery are spreading, notably in durable goods such as new cars and sales at supermarkets. Sales new passenger cars increased 2.4 percent in July from a year earlier, and picked up a preliminary 9.6 percent in August.

Industrial output had ups and downs but became firmer than before, and inventories showed declines over two straight months from June, according to the report.

Citing the central bank's "tankan" survey of business sentiment for August, it said corporate profits are bottoming out, and confidence has improved.

Areas of concern included capital investment, which remained generally sluggish although increases were seen in some industries. Capital spending plans for fiscal 1994 in the manufacturing sector showed a 6.6 percent decline from a year earlier as of June, down 3 percentage points from May.

The report said the employment situation continued to be sluggish, particularly in the manufacturing sector. The ratio of job openings to job seekers in July fell to 0.62 from 0.64 in May and 0.63 in July, and the unemployment rate rose at a seven-year high rate of 3.0 percent in July, the second worst record in the postwar period.

The agency said the employment figures lag behind data for the entire economy. The poor employment situation will undermine upward momentum in personal consumption, and is therefore a threatening factor, it said.

### **Business Leaders Skeptical**

*OW0909054794 Tokyo KYODO in English 0514 GMT 9 Sep 94*

[Text] Tokyo, Sept. 9 KYODO—Japanese business leaders remained skeptical Friday [9 September] about a report by the Economic Planning Agency (EPA) that



Japan is moving into economic recovery, and urged the government to continue various pump-priming measures.

Shoichiro Toyoda, chairman of Toyota Motor Corp. and also chairman of the Federation of Economic Organizations (Keidanren), said, "bright factors are certainly spreading, but I believe it only means that the economy is coming out of the worst period, and I have no feeling of real recovery yet."

Takeshi Nagano, president of the Japan Federation of Employers Associations (Nikkeiren) and chairman of Mitsubishi Materials Corp., said the recent recovery in personal expenditure is mostly due to temporary factors such as tax refunds and the hot summer.

"I cannot be optimistic about the future course of the economy," Nagano said, adding that the strength of the yen on foreign exchanges may harm exports.

They were reacting to the EPA's monthly economic report, issued earlier in the day, which said Japan's economy is "moving gradually toward recovery," although factors such as the strong yen remain as threats.

Although the agency said the judgment is for the month only, its recognition of a trend toward recovery was seen as a declaration of the end of the nation's longest postwar economic recession.

Business leaders, however, are apparently focusing more than the government on negative factors, including excess production capacity, a severe employment situation and the strong yen.

Masaru Hayami, chairman of the Japan Association of Corporate Executives (Keizai Doyukai) and chairman of Nissho Iwai Corp., said the drop in corporate capital spending has become smaller, but there is still a large excess in production capacity.

"I believe the economy is still in a cyclical adjustment phase, though it may be the last stage," Hayami said.

#### **Mitsui Head Denies Involvement in Bid-Rigging**

*OW0809043194 Tokyo KYODO in English 0352 GMT 8 Sep 94*

[Text] Tokyo, Sept. 8 KYODO—The chairman of leading trading house Mitsui and Co. on Thursday [8 September] denied the company has been involved in suspected illegal bid-rigging among traders for projects funded by Japan's foreign aid program.

The Fair Trade Commission (FTC) searched the headquarters of more than 30 major trading houses earlier this week, seeking evidence of the suspected bid-rigging.

Koichiro Ejiri, who also chairs the Japan Foreign Trade Council, told reporters that the company's machinery section, which the FTC searched, reported there has been nothing dubious.

Ejiri also said FTC officials have not told Mitsui what the commission has been searching the company for.

"We don't know what they are aiming at," he said.

The antitrust watchdog suspects the trading firms have predetermined the winners when bidding on government contracts for the procurement of building materials and other items required for projects financed by Japan's official development assistance in developing nations.

Meanwhile, the Japan Foreign Trade Council said the commission has raided 14 of its member firms.

#### **Government To Rescue Financially Troubled Company**

*OW0909054994 Tokyo KYODO in English 0526 GMT 9 Sep 94*

[Text] Tokyo, Sept. 9 KYODO—The Japanese Government will rescue Chisso Corp., a chemical manufacturer facing a financial crisis in the wake of payment of compensations to victims of the Minamata disease mercury poisoning, officials said Friday [9 September].

The officials said the decision calls for the central government to roll over loans provided to the company by the Kumamoto prefectural government with easy term loans.

Environment Agency Director General Sohei Miyashita, Home Affairs Minister Hiromu Nonaka and Finance Minister Masayoshi Takemura attended the ministerial meeting that decided on the rescue plan.

The Tokyo-based company was found responsible for causing the Minamata disease, which was first reported in 1956 in the Minamata Bay in Kumamoto Prefecture, southern Japan.

The officials said the rollover will be made for loans worth about 62.6 billion yen, which carry annual interest rates exceeding 4.5 percent, of an outstanding balance totaling 65.7 billion yen.

The step will help the company ease the interest burden, which amounts to about 10.5 billion yen annually, the officials said.

The officials said the rollover loan contract will include a three-year grace period, allowing the company to defer repayment of the principal loan worth about 4.5 billion yen.

They said a new fund will be established jointly by the central and Kumamoto prefectural governments to help finance the company's capital investment plans.

The rescue measures will be endorsed at a cabinet session next Tuesday at the earliest, the officials said.

The cabinet decision will call for the central government to take additional financial steps for repayment of the prefectural loans in case any untoward situation should arise, they said.



Finance Minister Takemura told reporters the package was the maximum the government could make to ensure compensation payments are made to the victims.

The Environment Agency said Chisso's financial situation is expected to turn out for the better, enabling it to pay compensation to victims.

The agency expressed hope that no additional financial rescue measures will be required for the company in the future.

### **Tertiary Sector Activity Drops 0.9 Percent**

OW0909074394 Tokyo KYODO in English 0650 GMT 9 Sep 94

[Text] Tokyo, Sept. 9 KYODO—Industrial activity in Japan's tertiary sector dipped 0.9 percent in the April-June quarter from the previous period, the first drop in three quarters, the Ministry of International Trade and Industry (MITI) said Friday [9 Sep].

The seasonally adjusted activity index for the entire tertiary sector in the second quarter, given at 105.7 against a base of 100 for 1990, was the second highest following the preceding quarter's 106.7 since the onset of the latest economic slump in 1991, MITI said.

But the sector's overall activity lacked strength during the reporting quarter, with demand staying at weak levels, MITI said.

The 0.9 percent downswing followed a 1.3 percent growth in the October-December period of 1993 and a 1.2 percent gain in the January-March period.

On a sector-by-sector basis, real estate and transportation- telecommunications showed an activity increase, the ministry said.

Tertiary industries seeing declines were services, wholesalers, retailers, restaurants and utilities, MITI said.

Activity stayed flat among financial entities, it said.

### **Delay in Construction of Nuclear Plant Hinted**

OW0809074894 Tokyo KYODO in English 0659 GMT 8 Sep 94

[Text] Aomori, Japan, Sept. 8 KYODO—Officials of a semigovernmental electric power development company indicated Thursday [8 Sep] that construction of a nuclear power plant in Aomori Prefecture, northern Japan, might be delayed for technical reasons.

The officials at Electric Power Development Co. said it is unlikely they will be able to submit their plan for a nuclear power plant in the town of Ohma to a government advisory panel in December as planned.

The Tokyo-based company was hoping to present the report to the Electric Power Development Coordination Council, a panel under the prime minister's office.

The officials said more time is needed to update environmental data taken 10 years ago, which will cause a delay in subsequent schedules as well.

They said the company will review the initial plan to begin construction in 1997 and start operation in 2003 and will discuss with the government and other organizations concerned with the situation.

### **Fierce Leadership of MPT 'Trio' Analyzed**

942A0546A Tokyo SENTAKU in Japanese Jul 94 pp 82-85

[Unattributed article: "Fearful Power of 'Trio' That Controls Ministry of Posts and Telecommunications: Under the Shelter of 'Ozawa's' Influence"]

[Text] A certain Ministry of Posts and Telecommunications [MPT] executive said unconcernedly, "Oh, that time slot is no good. A meeting of the Telecommunications VIP Council is listed. As you know, that meeting takes priority over the Ministry Council...."

Sure enough, on the bookshelves behind the executive, there were lined up any number of volumes of files with "Telecommunications VIP Council" written grandly on their spines in large characters. According to the executive, the VIPs are a trio from three telecommunications bureaus: Haruki Matsuno (57), former chief of the Telecommunications Bureau (currently administrative vice minister); Mitsuo Igarashi (54), former chief of the Communication Policy Bureau (currently chief of the Telecommunications Bureau); and Akimasa Egawa (58), currently chief of the Broadcasting Bureau, who are now at the height of power in the MPT.

During the year when the three became chiefs of the three telecommunications bureaus, VIP Council meetings were held on an average of once a week and almost every day when some problem arose. The expeditor was Akiyoshi Takada (50), assistant chief of the Communications Policy Bureau, who is a direct subordinate of Bureau Chief Igarashi. It is even said that now the trio who call themselves "VIPs" are controlling posts and telecommunications administration with the VIP Council as their stage. The one who holds the initiative is Igarashi. The situation is such that there are some members of the department-chief class who joke about Igarashi's power, saying: "Matsuno is nothing more than a figurehead." It is proper that the VIP Council should decide important matters related to telecommunications. It is said that the Ministry Council (presided over by the minister), which by rights is the supreme decision-making body, merely ratifies the VIP Council's ex post facto reports.

The trio has a lot of experience in the telecommunications field, and their common point is being pushy. Matsuno and Igarashi in particular have trod the mainstream "postal field" of postal bureaucrats of the past. The greatest duty of postal work was countermeasures against the Japan Postal Workers' Union, which was as

strong as the National Railway Workers' Union. One can say that, in the MPT, a so-called blue collar government agency, labor faction bureaucrats who excelled at behind-the-scenes negotiation with unions have reigned supreme.

Labor faction bureaucrats naturally distinguished themselves in political-circle maneuvering because whether it be a labor union or a political party, there is no difference in negotiation between persons of equal shrewdness. The situation was such that the name of Igarashi in particular, who excelled in negotiating ability, was widely known among members of the the Liberal Democratic Party [LDP]'s Postal group from the time when he was a division chief. In contrast to Matsuno and Egawa being Tokyo University alumni, who swagger about Kasumigaseki, Igarashi is an alumnus of Hokkaido University. Igarashi made up for the handicap of not being influential in the Kasumigaseki [an area in Tokyo where the government ministries and agencies are located] of the Tokyo University clique by his inbred ability to get along in Nagata-cho [an area in Tokyo where Diet buildings, the prime minister's official residence, LDP, and other political party headquarters are located], and got on the track to a successful career.

#### The Trio Who Call Themselves VIPs

In the past 10 years Igarashi has served in desirable posts from chief of the Postal Bureau's Manpower Division to chief of the Telecommunications Policy Bureau's General Affairs Division, chief of the Administration Division, chief of the Telecommunications Bureau's General Affairs Division, and from chief of the Secretariat Division of the Minister's Secretariat to chief of the Telecommunications Business Department. He has held various important posts which were literally involved with telecommunications interests. When he was chief of the Telecommunications Business Department, Igarashi, who is assessed as being "modest and brave," became close to Shin Kanemaru of the postal group, who was a boss in political circles. His strong tie to Ichiro Ozawa, who inherited Kanemaru's interests, also began at that time. The fact that Igarashi is "Ozawa's watchman at the MPT" is widely known in Nagata-cho and Kasumigaseki, not to mention within the MPT. It is said that Igarashi, an alumnus of a provincial national university, received the exceptional selection as director of the Secretariat because his political influence as "Ozawa's connection" was assessed in a favorable way. There was no force within the MPT that could rival Igarashi, who excelled at behind-the-scenes maneuvering in political circles and who was director of the Secretariat, controlling even personnel matters of ministry executives. The ascendancy of Igarashi and the rest of the trio began from about that time.

Department and division chiefs who fear the strong personnel measures of Igarashi and his associates wait on them just like servants, and cries of "the politics of fear" are also beginning to be heard.

Still, is not something wrong somewhere with the sense of bureau chiefs, who by rights are public servants, calling themselves "VIP"?

The proclivities of those at the top also seem to infect their subordinates; chiefs of prominent divisions who prostrate themselves at the feet of the Igarashi trio are calling themselves "baby VIPs." They are even holding meetings in imitation of them, called the "Baby VIP Council"—what a laughingstock.

What backs up the VIP trio is, of course, the existence of "Ichiro Ozawa." The symbol of that is a study group centered on Ichiro Ozawa, the "Ichi group," which Igarashi himself promoted and started within the ministry. The "Ichi group" started when, as deputy chief cabinet secretary in the Takeshita cabinet, Ozawa bore the brunt of criticism on Japan-U.S. telecommunications friction, and it has continued without interruption.

Where in the world does the money come from with which bureaucrats entertain politicians? It is known that the chief cabinet secretary, the linchpin of a cabinet, controls secret Secretariat expenditure of several billion yen. Similarly, central government agencies also have secret Secretariat expenditure. It is controlled by the director of the Secretariat. In addition, the MPT has three special accounts, and there is an abundance of secret expenditure in these also. MPT bureaucrats have no trouble finding sources of revenue for expenditure on maneuvers in political circles or the mass media.

Moreover, the MPT has tremendous vote-gathering capacity backed by 22,000 chiefs of special post offices throughout Japan, a mouth-watering target for politicians. The "recompense" received by the Postal group, which supports the MPT, is said to be very large.

While on the one hand, postal bureaucrats are criticized as "rustic officials" behind their backs, they have devoted all their energies to entering under the protection of the supreme power of the day by having the power of "money" and "votes" at their command.

#### Behind-the-Scenes Maneuvers To Solve The "Problem of Motorola"

In the heyday of the Keiseikai [Takeshita faction] they got close to Shin Kanemaru [leader of the Takeshita faction], and now Igarashi and his associates are making clear a "shift to Ozawa."

The MPT, which is only a third-class agency, had a reason to make an ally of the greatest power of the day. In order to do battle over agency interests on an equal basis with the Ministry of International Trade and Industry [MITI] and the Ministry of Finance [MOF], its main opponents in Kasumigaseki, the MPT, which was inferior in both staff and negotiating ability, had no choice but to borrow the power of politics. The Igarashi trio's wily ability to get along in political circles and its overwhelming thrust toward Ozawa now match the

agency interests of the MPT. In that sense, the Igarashi trio are literally "MPT VIPs."

Linked with the most powerful person of the day Ichiro Ozawa, the Igarashi trio exercises overwhelming power under the umbrella of Ozawa's influence. "In the year 2010 the multimedia industry will have a scale of 123 trillion yen, far exceeding the current auto industry (approximately 40 trillion yen). Its capacity to create employment will also extend to 2.43 million people." This very trial balloon which the MPT launched with great fanfare at the beginning of the year was a strategy of the VIP Council. It anticipated the main points of the report of the Telecommunications Council (chairman: Fumio Watanabe, adviser to The Tokyo Marine and Fire Insurance Co. Ltd.), which was made public later on 31 May [1994]; its publication was hastily moved up because there were rumors that NTT (Nippon Telegraph and Telephone), which is under its supervision, and its "main rival" agency, MITI, would publish similar forecasts. Furthermore, also at the time of the report they were conscious of the report of MITI's Industrial Structure Council and were so worried that they shifted the time by two months.

In regard to the problem of cellular telephones from the U.S. Motorola which was settled in March, it is also said that the VIP trio managed things politically behind the scenes, going over the head of the general affairs counselor, who was directly in charge. It is said that behind the responsible official's explanation that "it does not make sense for government offices to meddle in individual problems of private-sector companies," the trio, who understood Ozawa's wishes and acted accordingly, moved, unilaterally pushing what Motorola Inc. could not sell (cellular telephones) off on Nippon Mobile Communications (IDO).

The origin of the Motorola problem was a seed that Ozawa planted five years ago when he was deputy chief cabinet secretary. Of course the one that wrested a huge profit from it was Motorola, but a news source points out that Ozawa, the one who arranged it, also probably has a "compensation" firmly in hand. One cannot raise political funds in Japan as one would wish because of that general contractor's corruption scandal. There are some who are impressed, thinking that having an eye to overseas interests is a "ploy" one would expect from Ozawa, who has a sharp nose. If we take that view to be true, it means that behind the fair name of repairing the U.S.-Japan relationship, Ozawa was building contacts for raising funds.

Moreover, the fact that Bureau Chief Egawa made the explosive statement: "NHK's analog-type high-definition television will not hold good for the world. Japan will be the only one left behind unless it quickly converts to digital-type," is also said to have been a scenario approved officially by the VIP Council. There were protests from various private-sector companies, not

to mention NHK, so the minister for posts and telecommunications and the administrative vice minister made a show of denying it, but the true intention of the trio was different.

#### Forcing NTT's Influential Members To Go Into Exile

The height of the VIP trio's fearful power is intervention in NTT personnel matters. As is widely known, reelection of the line of NTT Chairman Haruo Yamaguchi (69)—President Masashi Kojima (63), who came up for reelection at the end of June this summer, had been settled to continue in their posts, but a dispute arose on the way to reaching that point. Although a consensus had been formed for reelection of President Kojima, who was very popular within the company, at the end of the long May holiday a charged atmosphere suddenly developed.

The MPT declined to accept the personnel items at the meeting of auditors, which the NTT side submitted to the MPT according to procedure. Immediately, President Yamaguchi of NTT was summoned to the minister's office and presented with a straightforward demand in the presence of the VIP trio. "Can't you promote (top ranking Vice President Shigeo) Sawada (a former MPT official) (to president)?" Matsuno, the bureau chief in charge, stormed the office of Chairman Yamaguchi after that, and on the ground of "a promise four years ago," also exerted great pressure to overwhelm opposition to promotion of Sawada.

Needless to say, NTT executives turned pale with rage. NTT ran around among leaders of government and opposition parties and elders of the financial world, before it was settled by maintaining the current setup of Chairman Yamaguchi, President Kojima, and Vice President Sawada.

But even in the secret dispute that time, there were other casualties on the NTT side. The VIP trio deduced the identity of the NTT executive who acted to prepare the groundwork with political and financial circles and demanded that he be removed from a responsible post. At the end of June the chief of the Personnel Affairs Department, who is said to be a close associate of President Kojima, replaced the chief of the Production Planning Department of the Service Production Headquarters. Last summer, the chief of the Planning Office, a confidant of the president, was designated and sent to a different post for the exact same reason. The NTT side consented to the change of post by promoting him to director.

In NTT personnel matters, outwardly the MPT compromised. But in the question of NTT's operating form (division), the decisive battle in the next fiscal year, the ministry will probably not back down easily. Needless to say, NTT labor and management are a great chorus opposing division because their influence would be reduced physically by division. Conversely, the supervisory power of the MPT would be strengthened, so it would produce great benefits for the ministry.



Moreover, what makes the MPT salivate is a rapid increase in lucrative postretirement positions for its officials. If it could divide NTT's current 11 branch company units by region, company president and chairman posts would increase 20 at one stroke. No policy for dividing an enterprise is as delicious as this.

In addition, division of NTT would probably destroy the existing system of a huge amount of ordering of construction and delivery of goods each year. It would be impossible to avoid reconstruction of a new order of vested interests. In fact, Ozawa seem to have his eye on a point there. To Ozawa, a "surrealist" who does not pursue dreams or ideals in the manner of an "ordinary person," the political power is the number, and money talks. Since Ozawa is praised by some as: "surpassing by as much as several fold the late former Prime Minister Kakuei Tanaka and former Deputy Prime Minister Kanemaru, who were masters in the ability to locate sources of money by an animal-like sixth sense," this plan to gain vested interests by division of NTT would probably not be totally off the mark.

The argument for division into long-distance communications business and local communications that was set forth in the Telecommunications Council's 1990 report has already lost historical significance. It is because in the future when the era of multimedia develops, the boundary lines between local and long-distance communications and also between domestic and overseas communications will be removed. There is no doubt of it, because those concerned declare openly that "Regardless of whether one likes it or not, the multimedia era will become 'seamless communication'" (NTT President Kojima).

When that happens, it will be a matter of grave concern to new NTT (Daini Denden, Nippon Telecom, and Nippon Kosoku Tsushin) which are centered on long-distance telephone and to such international communications carriers as Kokusai Denshin Denwa Co. Ltd., Nippon Kokusai Tsushin, and Kokusai Digital Tsushin because they will lose their entire basis for existence. They will not be able to survive unless they reluctantly merge with such entities as regional communications companies that have local networks, or interactive cable television companies or cellular phone companies. All communications companies will soon be set adrift in a storm of industry reorganization.

At a time when tension was mounting, an observation on division of NTT came flying from the United States. In interviews with a special correspondent for NIHON KEIZAI SHIMBUN, Vice Presidential Senior Adviser Simon and Presidential Assistant Cutter repeated a statement that blurred the debate on division of NTT: "NTT remains in a state of near monopoly. As things stand it constitutes an obstacle to competition." The technique of using White House pressure in domestic politics was a favorite ploy of MITI in the past. It is unclear whether the leadership of the MPT has now

begun to imitate that, but Ozawa's U.S. connections are said to be very strong. Behind Ozawa waits the Igarashi trio as staff officers. So long as division of NTT produces benefit for both Ozawa and the MPT, the course of the debate over division could very well develop in a manner unprofitable for NTT.

#### **A Dangerous "Tendency To Rely on Ozawa"**

At the MPT, in the regular shift of staff at the end of June [1994], Matsuno, who entered the ministry in 1960, assumed office as vice minister. The one who assumed office as chief of the Telecommunications Bureau, who will be in direct charge of the division of NTT, was Igarashi, who entered the ministry in 1963. Needless to say, Igarashi is waiting to become vice minister for the next term. Their ages are 3 years apart. It is said that the person who will succeed Igarashi as vice minister is Director of Secretariat Tsuyoshi Kimura (51). The selection of Kimura, a member of the class of 1966 that set people to talking in Kasumigaseki, was a personnel decision by Igarashi. It is also possible for one person to fit in between them, but the difference between their ages is also 3 years. In any case there is also the view that Matsuno, Igarashi, and Kimura who comes after them, "will monopolize the office of vice minister by rotating it among the three of them for as long as a maximum of 10 years."

Of course, not every executive in the MPT is an admirer of the VIP trio. Even if the trio should dominate the MPT for next 10 years, after all, it is only the power of having a connection with Ozawa. There is no guarantee that Ozawa, who has the insecurity of a heart ailment, will continue to be the person of greatest influence.

But the reign of Matsuno, Igarashi, et al will continue for the time being. It will be unbearable, however, for the policy line of NTT division to be rushed along solely for the benefit of the MPT and the private benefit of specific political parties and politicians. It is necessary to prepare for the multimedia era and to debate exhaustively what kind of telecommunication policy for Japan will be compatible with the national interest.

Shinseito [Japan Renewal Party] which Ozawa leads drove a linchpin into MITI and the MOF. Ozawa and Administrative Vice Minister Jiro Saito of the FOM are very close friends. It is all too well-known that Chief Cabinet Secretary Hiroshi Kumagai intervened in the appointment of bureau chiefs when he was minister for MITI. Much earlier than that, the MPT has continued such adherence to Ozawa that it calls itself an Ozawa agency.

Even while being called a third rate agency behind their back, postal bureaucrats have succeeded in steadily expanding ministry interests by skillfully using the power of Nagata-cho.

These bureaucrats, who excel at getting along in political circles, must recognize fully the danger of strengthening relationships of dependence on specific political parties or politicians.



But it seems the predisposition of the Igarashi trio to depend on Ozawa exceeds the yardstick of bureaucrats who are public servants.

The trio call themselves "VIP" and are beaming with pride, but the foundation of their power is being shaken by a severe earthquake shock in political circles.

### North Korea

#### Spokesman on Signing Agreement at U.S. Talks

SK0909103094 *Pyongyang KCNA in English 1022 GMT 9 Sep 94*

[Text] Pyongyang, September 9 (KCNA)—A spokesman for the Foreign Ministry of the Democratic People's Republic of Korea, in a statement today, says it is one of the immediate and urgent issues at present to discuss and reach an agreement on the question of signing a peace agreement at the DPRK-U.S. talks.

He further says: It is natural to do so in view of the need to fully normalize the DPRK-U.S. relations and remove the nuclear threat to us by implementing the agreed statement published by our country and the United States some time ago.

Moreover, the present situation in which arms buildup by the United States and South Korea continues and the danger of war is growing daily on the Korean peninsula requires an early adoption of practical measures for ensuring peace and security on the peninsula.

In April, the government of the DPRK proposed negotiations for the establishment of a new peace arrangement on the Korean peninsula and has made sincere efforts for its realization.

We already proposed this question to the U.S. side and discussed it at the third round of DPRK-U.S. talks in Geneva.

The proposal and efforts of the DPRK Government are enjoying undisputed welcome and support from the entire Korean people in the North and the South and the world peaceloving people.

Since an agreement on non-aggression was adopted between the North and the South long ago, if a peace arrangement is established between us and the United States which has its troops in South Korea and holds the operational control on the South Korean Armed Forces, it would mean the creation of a most durable and strict peace mechanism on the Korean peninsula.

However, the South Korean authorities alone, who are not a signatory to the armistice agreement and do not have the operational control on their army, are dead set against the establishment of a new peace arrangement. This is a thoughtless act of the South Korean authorities who are incapable of assessing the reality of the Korean peninsula and their position.

A new peace arrangement will certainly be established on the Korean peninsula, however desperately the South Korean authorities may oppose it.

#### Radio Reports Delegation Departs for Berlin

SK0809133094 *Pyongyang Korean Central Broadcasting Network in Korean 1307 GMT 8 Sep 94*

[Text] The DPRK expert-level delegation headed by Kim Chong-u, vice chairman of the State External Economic Affairs Commission, left Pyongyang on 8 September by plane to participate in the DPRK-U.S. expert-level negotiations on the issue of the provision of light water reactors and compensation, which will be held in Berlin in accordance with the agreed statement between the DPRK and the United States. Vice Foreign Minister Choe U-chin and other functionaries concerned were on hand at the airport to bid farewell to the delegation.

#### U.S. 'Activists' Delegation Departs 6 Sep

SK0909083794 *Pyongyang Korean Central Broadcasting Network in Korean 1100 GMT 6 Sep 94*

[Text] The delegation of U.S. social and cultural activists, who visited our country, returned home by air on 6 September. The delegation was seen off at the airport by (Yi Chong-hyok), vice chairman of the Korea-Asia-Pacific Peace Committee.

#### ROK's Remarks on N-S Postal Exchange Criticized

SK0909053994 *Pyongyang KCNA in English 0531 GMT 9 Sep 94*

["What 'Exchange' Can Be Made With the Door Closed?"—KCNA headline]

[Text] Pyongyang, September 9 (KCNA)—The South Korean rulers are crying for "postal exchange between the North and the South" after the adoption of a resolution on postal exchange on the Korean peninsula at a general meeting of the Universal Postal Union [UPU], creating the impression that they are interested in it.

Commenting on this, NODONG SINMUN today notes that postal exchange between the North and the South has not yet been realized because of the anti-communist confrontation policy pursued by the South Korean rulers.

The analyst says:

The notorious "National Security Law" of South Korea is the main stumbling block lying in the way of the exchange of people and materials including inter-Korean postal exchange. In actuality, many students and people of all walks of life in South Korea are thrown behind bars and punished by this evil law.

If the South Korean rulers are truly interested in "postal exchange", they must renounce the anti-communist confrontation policy, first of all, and express their willingness to scrap the "National Security Law."

If the Kim Yong-sam group pays a lip service to "postal exchange" without this, it will only bring disgrace to it.

If the resolution of the general meeting of the UPU is to be implemented, the South Korean rulers must abandon the anti-communist confrontation policy and abolish the "National Security Law", an anti-North, anti-reunification fascist law.

The Kim Yong-sam group seems to have brought forward "postal exchange" in an effort to save the face, if only a little, after its internal and external policies and policy toward the North went busted. But it can get nothing from it.

#### Messages Received From Abroad on Founding Day

##### SKNDF Sends Message

SK0909045094 Pyongyang KCNA in English 0418  
GMT 9 Sep 94

[Text] Pyongyang, September 9 (KCNA)—The dear leader Comrade Kim Chong-il received a congratulatory message today from the Central Committee of the South Korean National Democratic Front [SKNDF] (Hanmin-jon) on the occasion of the 46th founding anniversary of the Democratic People's Republic of Korea.

The message says:

With the founding of the Democratic People's Republic of Korea, the genuine motherland of *chuche* type, with respected President Kim Il-song as its father, the first independent, sovereign state centred on the popular masses in the history of our nation and mankind made its appearance to let the popular masses administer the state affairs as the true masters of the power. The long course covered by the DPRK under the outstanding and tested leadership of President Kim Il-song and you Comrade Kim Chong-il is a history of creation and great achievements, a proud history of victory and glory in which it has demonstrated the dignity and honor of the nation and the advantages of socialism of *chuche*, surmounting grim trials of history.

Socialism of the DPRK, under the *chuche*-based politics of you the great leader Comrade Kim Chong-il, has struck its deep roots in the northern half of the country as a peculiar socialism of *chuche* in which devotion and service for the people are fully displayed and as the life of the people itself which is unimaginable in the capitalist society.

You respected Comrade Kim Chong-il are a great thinker, theoretician and statesman and an outstanding military strategist who opened up a new phase of socialist state building and has glorified Korea of *chuche*

in the world as a powerful state independent in politics, self-reliant in economy and self-supporting in national defence.

We will build up a strong independent driving force for a change under the uplifted banner of the great *chuche* idea and, for the present, invigorate the patriotic noble struggle for overthrowing the tottering "civilian" fascist regime with successive hard blows and establishing a genuine people's government independent, democratic and pro-reunification.

We, true to the noble intention of respected President Kim Il-song in his lifetime, will struggle with might and main to implement "10-point programme of the great unity of the whole nation for the reunification of the country" under the banner of independence, peaceful reunification and great national unity.

The message wholeheartedly wishes Comrade Kim Chong-il good health and a long life.

##### Chongnyon Sends Congratulations

SK0909051194 Pyongyang KCNA in English 0426  
GMT 9 Sep 94

[Text] Pyongyang, September 9 (KCNA)—The dear leader Marshal Kim Chong-il received a congratulatory message today from the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon) on the occasion of the 46th founding anniversary of the Democratic People's Republic of Korea.

The message says:

The respected leader Generalissimo Kim Il-song liberated the country by winning a heroic victory in the rigorous anti-Japanese revolutionary struggle and founded the republic where the great idea of "believing in the people as in heaven" has been applied. This is a historical event that proclaimed to the world the emergence of the first genuine country of the people in the history of the nation spanning 5,000 years where the popular masses are the masters and is an immortal feat performed by the leader.

With you respected general Kim Chong-il most distinguished in idea, leadership and personality as the great leader of the country and the nation, the glory of the socialist homeland and the happiness of the Koreans at home and in Japan are growing.

Our Republic is shining as the homeland of the *chuche* idea that guides the era and demonstrating its invincible might as the fortress of the cause of independence, the fortress of socialism which shatters to pieces any attack of the world imperialist allied forces with the might of the integrated whole of the leader, the party and the people. This is the great glory and pride of our people which are recorded in the 5,000-year long history of the nation in the Kim Chong-il era.

All the Chongnyon officials and Koreans in Japan, true to the behests of the fatherly leader Generalissimo Kim Il-song, will glorify his imperishable revolutionary feats through generations with loyalty and filial duty, united in one mind, under the wise guidance of you respected General Kim Chong-il.

We will further strengthen and develop Chongnyon as a chuche-type powerful patriotic organization of overseas Koreans, unfailingly loyal to you and united in one mind, under the banner of Kimilsongism-Kimchongilism, the banner of invincibility. And we will more creditably fulfil the noble duty of Chongnyon in the nationwide struggle for accomplishing the cause of national reunification in the 90s in unity with the compatriots in the North, South and abroad in accordance with the 10-point programme of the great unity of the whole nation put forward by the great leader Generalissimo Kim Il-song.

The message wholeheartedly wishes General Kim Chong-il good health and a long life.

#### Foreign Envoys Send Gifts

SK0909102794 *Pyongyang KCNA in English 1009 GMT 9 Sep 94*

[Text] Pyongyang, September 9 (KCNA)—Comrade Kim Chong-il, the dear leader of our party and our people, received basket of flowers and congratulatory letters from diplomatic envoys in Pyongyang on the 46th anniversary of the founding of the Democratic People's Republic of Korea.

They were handed to officials concerned by the Cambodian, Cuban, Iranian, Egyptian, Syrian, Palestinian, Russian, Romanian, Bulgarian, Polish, Indonesian, Mongolian, Yemeni and Hungarian diplomatic envoys and the representative of the UNDP [UN Development Program].

The military attache of the Egyptian Embassy in Pyongyang presented a congratulatory letter to Comrade Kim Chong-il.

#### Foreigners Visit Kim Il-song Statue

SK0909051794 *Pyongyang KCNA in English 0430 GMT 9 Sep 94*

[Text] Pyongyang, September 9 (KCNA)—Overseas compatriots laid wreaths before the statue of the great leader President Kim Il-song on Mansu Hill in Pyongyang Thursday on the lapse of two months since his death and on the 46th founding anniversary of the Democratic People's Republic of Korea.

Present there were Chairman of the Central Standing Committee of the General Association of Korean Residents in Japan (Chongnyon) Han Tok-su staying in the socialist homeland, a congratulatory group of Koreans in Japan led by Vice-Chairman of the Chongnyon Central

Standing Committee Pae Pyong-tu visiting the homeland to celebrate the DPRK founding anniversary, delegations and visiting groups of Chongnyon and a home-visiting group of Koreans in China.

Cho Tok-chon, director of the Korean Institute of William Carey University in the United States, was also on hand.

They paid a silent tribute to the memory of President Kim Il-song who devoted his whole life to the freedom, independence and eternal prosperity of the country, the happiness of the people and national reunification.

On the same day, president of the General Company of National Economic Development in Heilongjiang Province of China Choe Su-chin and other overseas compatriots visited the statue to pay a silent tribute to the memory of President Kim Il-song.

#### Foreign Visitors Honor Kim Il-song

SK0909053094 *Pyongyang KCNA in English 0434 GMT 9 Sep 94*

[Text] Pyongyang, September 9 (KCNA)—Foreigners on Thursday visited the statue of the great leader President Kim Il-song to lay bouquets and pay a silent tribute to his memory on the lapse of two months since his death and on the 46th founding anniversary of the Democratic People's Republic of Korea.

Among them were Hajime Fukada, member of the Central Executive Committee and director of the organizational department of the Japan Social-Democratic Party and member of the House of Councillors, members of the military attache office of the Russian Embassy in Korea, and the family of Otto Grotewohl, former chairman of the Council of Ministers of the German Democratic Republic.

Hajime Fukada said the death of the great president His Excellency Kim Il-song was a big loss and sorrow for Japan, Asia and the world.

"I will remember till the last moments of my life the president who led me as the sun in my heart," he said, adding: "His teachings and warm feeling will always be strength and courage for me."

He expressed the belief that the Korean people would make a greater success in the revolution and construction, true to the behests of the president, rallied around esteemed His Excellency Kim Chong-il.

Gueorgy Mariyasov, military attache of the Russian Embassy, expressed the belief that the Korean people, under the wise leadership of Comrade Kim Chong-il, supreme commander of the Korean People's Army, would brilliantly carry forward the revolutionary cause started by Comrade Kim Il-song and the cause of socialism would be successfully accomplished in Korea.



### **Celebrations Abroad Detailed**

*SK0809222794 Pyongyang KCNA in English 1504  
GMT 8 Sep 94*

[Text] Pyongyang, September 8 (KCNA)—A seminar was held in Sweden, (?pictures) and film shows took place in Mozambique and Peru, joint gathering was held in Nicaragua, and a celebration meeting in Zambia to mark the 46th founding anniversary of the Democratic People's Republic of Korea. The seminar held in Stockholm on August 27 on the subject "Chuche Idea—Key to achievements in all the political, military, economic, and cultural fields of the DPRK" as addressed by the chairman of the Swedish Committee for the Study of the Chuche Idea, Pas Mylly. Noting that the guiding idea of the DPRK is the chuche idea founded by the great leader Comrade Kim Il-song, he said:

"In the momentous time when socialist construction was progressing on a higher stage, the dear leader Comrade Kim Chong-il systematized the chuche idea on an overall scale and ensured that it was fully applied in all fields.

"The achievements made by the DPRK in politics, economy, military, culture, health care and other fields over the past 46 years are living evidences showing the vitality of the chuche idea."

The chairman of the Stockholm branch of the Sweden-Korea Friendship Association, Homas Ronstrom, said in his speech the achievements of the DPRK prove that Korean-style socialism is most superior.

The president of the Huacho National University of Peru, Mercindo Celedonio, speaking at the function in the country on August 25, said that the DPRK is a powerful tale, independent, self-supporting and self-reliant in defence, relying on its own unique idea and efforts and it is a people's paradise which proves the popular masses with genuine democratic rights and happy life.

"Today the Korean people are turning the sorrow at the loss of the father of the nation into strength and courage and struggling to add lustre to Korean-style socialism and achieve the independent and peaceful reunification of the country under the leadership of the dear leader Comrade Kim Chong-il."

### **Portugal Bestows Medal**

*SK0909103694 Pyongyang KCNA in English 1013  
GMT 9 Sep 94*

[Text] Pyongyang, September 9 (KCNA)—A ceremony of awarding the Seixal City Medal of Portugal to the dear leader of our party and our people Comrade Kim Chong-il on the occasion of the 46th founding anniversary of the DPRK was held at the Coroius District Hall on September 5.

The chairman of the Coroius District, speaking on behalf of the mayor of Seixal, said:

His excellency Kim Chong-il has long since wisely led the Korean people. He has made a great contribution to socialist construction and the strengthening and development of the party, the state and the army in Korea. The Korean people owe all their achievements to the wise guidance of his excellency Kim Chong-il. The Seixal City Assembly decided to award the city medal to his excellency Kim Chong-il for friendship between the peoples of Portugal and Korea. We consider it a great honor to award the Seixal City Medal to his excellency Kim Chong-il, the supreme leader of the Korean people, on the occasion of the 46th founding anniversary of the Democratic People's Republic of Korea.

### **Kim Chong-il Sends Aid to Children in Japan**

*SK0909102494 Pyongyang KCNA in English 1006  
GMT 9 Sep 94*

[Text] Pyongyang, September 9 (KCNA)—Comrade Kim Chong-il, the dear leader of our party and our people, sent educational aid fund and stipends for the children of Korean residents in Japan for their democratic national education.

Comrade Kim Chong-il sent 100 million yen in Japanese currency following the educational aid fund and stipends sent by President Kim Il-song in 127th installments.

The 128th installment brought the total to 42,112,992,433 yen.

### **Official Urges Japan To Compensate Victims**

*SK0909080494 Pyongyang KCNA in English 0440  
GMT 9 Sep 94*

[Text] Pyongyang, September 9 (KCNA)—O Mun-han, chairman of the DPRK Measure Committee for Compensation to "Comfort Women for the Army" and Victims of the Pacific War, published a statement Thursday [8 September] denouncing the Japanese Government for acting craftily to hush up the past crimes including the case of the "comfort women for the army".

He said:

The Japanese Government announced the so-called "plan of exchange for peace and friendship". This is an insidious attempt to calm the voices of the victims and the bereaved families demanding a fair settlement of the crime in the case of "comfort women for the army", a hideous crime of human rights violation in which Japan drafted over 200,000 women, mostly Koreans, and made them sex slaves of its army and then mercilessly murdered most of them.

This is also another crafty trick to create the impression that the compensation issue has been settled and erase the conception of compensation itself from the mind of the people with such a show of generosity as "study of history" or "exchange".



The postwar settlement of Japan's crimes is not a matter which can be decided at its free will, but a matter which must be resolved only in compliance with the demand of the victims and international law.

The Japanese Government must not persistently resort to petty tricks to hush up the past crimes, but comprehensively investigate all the materials of the crimes in the "comfort women for the army" case and other crimes of human right violation in the wartime, open them to the public and make an adequate compensation to the victims as a token of sincere apology.

I, in the name of the Measure Committee, call upon the UN human rights organizations, world public and judicial figures defending justice and human rights to pay a due attention to this and urge the Japanese Government to atone for the war crimes at an early date.

#### **Secretary Hwang Chang-yop Meets Japanese Guest**

SK0809222994 *Pyongyang KCNA in English 1509 GMT 8 Sep 94*

[Text] Pyongyang, September 8 (KCNA)—Hwang Chang-yop, secretary of the Central Committee of the Workers' Party of Korea, today met and had a friendly talk with Hajime Ukada, member of the Central Executive Committee and director of the organizational department of the Japan Social-Democratic Party and member of the House of Councillors, on a visit to Korea. The director said that the death of the great leader President Kim Il-song is a great loss for the Korean people as well as the world people.

He stressed that he would make all his efforts to develop friendly relations between the two countries as the great leader President Kim Il-song wished in his lifetime. A series of views were exchanged to develop relations between the two parties.

#### **Kim Chong-il Receives Gift**

SK0909104094 *Pyongyang KCNA in English 1014 GMT 9 Sep 94*

[Text] Pyongyang, September 9 (KCNA)—The dear leader of our party and our people Comrade Kim Chong-il received a gift from Ganji Inoki, leader of the Japan Sports Peace Party and member of the House of Councillors, on a visit to Korea.

The gift was handed to Kim Yong-sun, secretary of the Central Committee of the Workers' Party of Korea.

#### **Pak Song-chol Meets Sudan, Mali Presidents**

SK0809115194 *Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 4 Sep 94*

[Text] 'Umar Hasan al-Bashir, president of the Republic of Sudan, and Alpha Oumar Konare, president of the Republic of Mali, both currently visiting Libya, received

a DPRK Government delegation led by Vice President Pak Song-chol on 2 September.

In the meeting, the head of the delegation conveyed greetings from Comrade Kim Chong-il, the great leader [yongdoja] of our party and people, to Presidents 'Umar Hasan al-Bashir and Alpha Oumar Konare.

The presidents expressed deep gratitude for this and asked the head of the delegation to convey their greetings of long life to Comrade Kim Chong-il, the great leader [yongdoja] of our party and people.

Saying that they once again express deep condolences on the death of the great leader Comrade Kim Il-song, they highly praised the great achievements accomplished by the respected and beloved leader. They went on to say that the dear leader Comrade Kim Chong-il has inherited and is carrying out the revolutionary cause pioneered by the great leader Comrade Kim Il-song.

They expressed full support for our people's struggle for socialist construction and the national fatherland.

#### **Foreign Minister Meets New Norwegian Ambassador**

SK0809223594 *Pyongyang KCNA in English 1511 GMT 8 Sep 94*

[Text] Pyongyang, September 8 (KCNA)—Vice-premier and Foreign Minister Kim Yong-nam today met and conversed with new Norwegian Ambassador to Korea Sverre Bergh Johansen [name as received] who paid a courtesy call on him.

#### **Yang Hyong-sop Meets New Indian Ambassador**

SK0809223294 *Pyongyang KCNA in English 1510 GMT 8 Sep 94*

[Text] Pyongyang, September 8 (KCNA)—Yang Hyong-sop, chairman of the Supreme People's Assembly, met and conversed at the Mansudae Assembly Hall with new Indian Ambassador to Korea Adya Nand Jha [name as received] who paid a courtesy call on him on September 8.

#### **Delegations Depart for Syria, Czech Republic**

SK0809223794 *Pyongyang KCNA in English 1512 GMT 8 Sep 94*

[Text] Pyongyang, September 8 (KCNA)—A delegation of the Workers' Party of Korea [WPK] led by Chi Chae-yong, vice department director of the C.C. [Central Committee], the WPK, left today by plane to visit Syria and Zimbabwe and a trade union delegation of the DPRK led by Yi Chin-su, vice-chairman of the Central Committee of the General Federation of Trade Unions of Korea, to attend a joint meeting of the presidential council of the World Federation of Trade Unions and the preparatory committee for the 13th World Trade Union Congress to be held in the Czech Republic.

**Egyptian Ministry Presents Gift to Kim Chong-il**

SK0909103394 *Pyongyang KCNA in English 1010 GMT 9 Sep 94*

[Text] Pyongyang, September 9 (KCNA)—The Ministry of Defence and Military Production of Egypt sent a gift to the dear leader Comrade Kim Chong-il, chairman of the National Defence Commission of the Democratic People's Republic of Korea and supreme commander of the Korean People's Army.

It was handed to an official concerned.

**Central People's Committee Greets Rwandan President**

SK0909104394 *Pyongyang KCNA in English 1016 GMT 9 Sep 94*

[Text] Pyongyang, September 9 (KCNA)—The Central People's Committee of the Democratic People's Republic of Korea sent a message of greetings Pasteur Bizimungu upon his assumption of office as president of the Republic of Rwanda.

The message expressed the belief that the friendly relations between the two countries would continue to develop favorably and wished the president success in his work for national unity and stability of the country.

**Italian Institute Head Departs Pyongyang 6 Sep**

SK0909083394 *Pyongyang Korean Central Broadcasting Network in Korean 1100 GMT 6 Sep 94*

[Text] (Giancarlo Elia Valori), general secretary of the Italian Institute of International Relations, returned home by air on 6 September. The guest was seen off at the airport by (Yi Chong-hyok), vice chairman of the Korea-Asia-Pacific Peace Committee.

**Country Marks Anniversary of Founding Day**

**KCNA Reports on National Meeting**

SK0909055094 *Pyongyang KCNA in English 0526 GMT 9 Sep 94*

[Excerpts] Pyongyang, September 9 (KCNA)—A national meeting was held at the 6,000-seat theatre of the February 8 House of Culture in Pyongyang today to celebrate the 46th founding anniversary of the glorious fatherland, the Democratic People's Republic of Korea.

A portrait of the great leader President Kim Il-song was placed on the platform against the background of the flag of the Republic.

Present at the meeting were Premier of the Administration Council Kang Song-san and Vice-President Yi Chong-ok, Politburo members of the Central Committee of the Workers' Party of Korea [WPK]; Kim Pyong-sik,

Vice-President and chairman of the C.C. [Central Committee], the Korean Social Democratic Party; and other senior party and government officials and working people of different strata.

Han Tok-su, chairman of the Central Standing Committee of the General Association of Korean Residents in Japan, a congratulatory group of Koreans in Japan headed by Pae Pyong-tu, vice-chairman of the Chongnyon Central Standing Committee, visiting the homeland to celebrate the 46th founding anniversary of the DPRK, and overseas compatriots staying in the socialist homeland were also present.

The participants in the meeting observed a moment's silence to honor the memory of President Kim Il-song who devoted all his life to the foundation of the DPRK and its strengthening and development and to the accomplishment of the revolutionary cause of chuche.

President Kim Il-song raised the question of power as the basic question of revolution in the first days of the anti-Japanese revolutionary struggle and put forward the chuche-based line of building a government conforming to the tasks of the Korean revolution and the specific conditions of the country. By applying it, he founded the Democratic People's Republic of Korea on September 9, 1948.

Hong Song-nam, alternate Politburo member of the C.C., the WPK and vice-premier, made a report at the meeting. [passage omitted summarizing Hong Song-nam report]

The head of the congratulatory group of Koreans in Japan made a speech at the meeting.

**Hong Song-nam Delivers Report**

SK0909040794 *Pyongyang Korean Central Broadcasting Network in Korean 0104 GMT 9 Sep 94*

[Report by Hong Song-nam, candidate member of the Workers Party of Korea Central Committee Political Bureau and vice premier of the Administration Council, at the central report meeting marking the 46th anniversary of the founding of the DPRK at the 8 February House of Culture in Pyongyang—live]

[Text] Comrades: Today, we are meaningfully commemorating the 46th anniversary of the founding of the DPRK, the honorable fatherland, in the historic period when all workers across the country are scoring new upsurges in socialist construction in hearty response to the party's leadership.

On this festive national day, as authorized by the Workers Party of Korea [WPK] Central Committee Political Bureau, I, in the name of the WPK Central Committee and the DPRK Government, warmly congratulate our working class, peasants, soldiers, working

intellectuals, and all other people who have devotedly struggled to found the Republic and strengthen and develop it. [applause]

I also extend compatriotic greetings to the patriots and people from all walks of life in South Korea who, considering the Republic to be the beacon of hope, are courageously struggling for independence, democracy, and the fatherland's reunification. [applause]

I also extend warm greetings to our compatriots in Japan and all other overseas compatriots who are patriotically devoting themselves to the socialist fatherland's prosperity and the fatherland's independent, peaceful reunification. [applause]

Our Republic is an independent socialist country that the great leader Comrade Kim Il-song founded and led to the single of victory and honor. Our Republic, which, considering the *chuche* idea to be its guiding principle, has vigorously advanced along the road of independence, is developing and prospering daily, and our people are enjoying independent and creative lives in the embrace of the Republic as masters of state and society to their hearts' content.

Our people, who have keenly realized through their own practical lives that the DPRK is the cradle of our happiness and the ground of genuine lives, have commemorated the DPRK founding anniversary every year amid deep emotion and joy with the boundless sentiment of thanks for the fatherly leader who founded a people's country that is endlessly becoming rich, powerful, and prosperous and who built a popular masses-centered socialist system, the best in the world.

Last year, amid the good wishes of all mankind, our people commemorated the 45th anniversary of the founding of the Republic on a grand scale with the respected and beloved leader Comrade Kim Il-song, the founder and leader [yongdoja] of the Republic, in attendance. They are today marking this anniversary with great sorrows over the last parting with the fatherly leader and boundless yearnings for him.

Our people are marking the national day without the founding father [kongugui oboi] who devoted himself to the fatherland's independence and the people's happiness throughout his life and made sleepless and restless efforts for the founding of the Republic and its boundless prosperity. So, they are now filled with woes and regrets.

Recalling with deep emotion the great efforts, devotion, and immortal achievements the great leader Comrade Kim Il-song made to found, strengthen, and develop the Republic, today we are filled with the firm resolution that we will fight more vigorously to uphold the party leadership and to consummate the *chuche* revolutionary cause by converting the pain of irreversible loss into new strength and courage.

Comrades: The DPRK is the great gain of our revolution that the respected and beloved leader Comrade Kim

Il-song founded, strengthened, and developed by carrying out the ever-arduous struggle for independence of the popular masses. [applause]

At the most desperate time of the Japanese imperialists' colonial rule, the great leader Comrade Kim Il-song launched into the road of struggle, shouldering the destiny of the fatherland and the nation; elucidated the direction of the Korean revolution with the banner of the *chuche* idea; and vigorously led our people to the liberation and the cease-fire.

In the beginning of the anti-Japanese revolutionary struggle, the great leader Comrade Kim Il-song considered the power issue to be the primary question of the revolution, and presented and embodied a *chuche*-oriented power building line in conformity with our country's specific realities, thus solving the power building problem in a most brilliant way.

The great leader Comrade Kim Il-song attained valuable experience and achievements in building the people's power in the flame of anti-Japanese revolution, prepared the honorable revolutionary tradition of our party, and based on this, he smashed inside and outside enemies' maneuvers and founded the DPRK under the so much complicated and confused situation following the liberation, thus enabling our people to be the dignified people of a sovereign and independent state.

When we recall the past, only the founding of the Republic by the great leader Comrade Kim Il-song could successfully break the grave situation created by the territorial division due to the U.S. imperialists' occupation of South Korea after liberation and by the maneuvers of rightist and leftist opportunists who have wedged themselves into the revolutionary rank [hyongmyong taean kkiodun chwaugyong kihoejuuijadul], and enabled our revolution to continue its stout advance.

The DPRK is the very regime that has inherited the brilliant revolutionary tradition of the anti-Japanese revolutionary struggle and a great weapon for building the unique socialism, communism, of our own style that has embodied the great leader Comrade Kim Il-song's revolutionary ideas and the *chuche* idea. [applause]

With the founding of the Republic, our people who had been trampled down and treated contemptuously for a long time became able to develop their destinies with their own strength as true masters of a sovereign and independent state and to vigorously accelerate the socialist, communist cause.

Our Republic has vigorously advanced along the road of socialism since its founding, while smashing challenges and interruption maneuvers by enemies at home and abroad under the banner of the *chuche* idea, and has advanced its new socialist life vibrant with ardor of worthwhile life and with revolutionary spirit in this land, based on the strength of the popular masses.



Our Republic has traversed many difficulties on the road, and our people have surmounted all sorts of trials. Even amid the trials of history determining the destiny of the revolution, our people have been able to victoriously advance along the road of socialism and communism that they have chosen without the slightest deviation and vicissitude. We have come to more keenly realize that this is because the great leader Comrade Kim Il-song stood at the head of our revolution. [applause]

The great leader Comrade Kim Il-song presented a unique line and policy of our own style at every period of the developing revolution by embodying the *chuche* idea and turned adversity into prosperity and misfortune into fortune through his extraordinary wisdom, excellent leadership ability, and ever-victorious and indomitable fighting will, thereby constantly strengthening and developing our Republic.

Through his creative strategic and tactical policies, *chuche*-oriented tactical operation methods, and extraordinary art of military operations, the great leader Comrade Kim Il-song created in succession military miracles that the history of war has never witnessed. Thus, he smashed the armed aggression by the combined forces of imperialism and led the fatherland liberation war to victory. This is an immortal revolutionary achievement which will be recorded in the history of modern war forever. [applause]

Thanks to this great achievement, our Republic's sovereignty and the gains of the revolution have been able to be honorably defended and an era of new leap has been unfolded in the anti-imperialist struggle for national liberation.

The popular masses' cause for independence is a historic cause realized for a long period. The great leader Comrade Kim Il-song wisely led the government of the Republic to effect constant advance and innovation in various phases of the revolutionary struggle and construction work for completely realizing the popular masses' independence.

By embodying the ideology of continuing revolution expounded by the great leader Comrade Kim Il-song, it was possible for our country to carry out the revolution for democracy and to immediately shift itself to the implementation of the socialist revolution without delay. Because of this, it was possible to achieve the brilliant victory of the socialist revolution.

In the difficult postwar period, during which the entire land was turned into ashes because of the miserable damage caused by the war and the maneuvers by the factionalists, feudalists, and imperialists and the aggression and provocations by the enemies were constantly intensified the great leader Comrade Kim Il-song vigorously inspired the entire party and all the people into the struggle for the socialist revolution and socialist construction with the revolutionary optimism and iron-like

will that as long as there are the party, the government, the territory, and the people it is possible to create a new life again.

By presenting a unique revolutionary line of our own style and wisely leading the government of the Republic and our people even amid multilayered barriers and trials, the great leader Comrade Kim Il-song successfully carried out the socialist revolution and vigorously pushed ahead with socialist construction. Thus, he built the most superior popular masses-centered socialist system on our fatherland where century-long backwardness and poverty prevailed once and turned our Republic into a powerful socialist state of independence, self-reliance, and self-defense. [applause]

When socialist revolution won and a socialist system was established, the road to communism was an unfamiliar road nobody had ever walked on. How to pioneer the road never treaded by anyone was a serious question that would have decided the destiny of socialist and communist construction. The great leader Comrade Kim Il-song strengthened the people's government and enhanced its function and role for the first time in history, and set forth the general line of socialist and communist construction to vigorously carry out three revolutions—ideological, technological, and cultural—and thereby made the cause of socialist and communist construction ever-victorious in our country, following the straightest road without slightest deviation.

By marching on following the leadership of the great leader Comrade Kim Il-song, our people's political and ideological unity in the enormous struggle to create and build socialism was solidified as a rock, and the might of our Republic was strengthened to become invincible. That the leader, the party, and the masses have become a harmonious whole sharing life and death by firmly tying all the people around the party and the leader [*suryong*], is the most precious result of our party and the Republic Government, and the secret of all our victories. [applause]

Our Republic is endlessly developing and prospering on a new higher level of development under the tested leadership of our party. The function and role of the people's government are further enhanced and the appearances of people, nature, and society are being renewed with each passing day because the exploit of modeling the whole society after *chuche* is vigorously accelerated. Our country, which had been backward in the world and lost its glory being trampled by the imperialists, repelled all sorts of challenges of the enemies and strengthened *chuche* in all political, economic, and cultural sectors in a very short period in history. It is a magnificent reality of our fatherland that the people's socialist living is in full bloom by our own strength. The reality is endlessly showing off the correctness and vitality of our party's general line to strengthen the people's government and ceaselessly enhances its function while thoroughly carrying out three revolutions—



ideological, technological, and cultural—and vigorously proving the superiority and solidity of the popular masses-centered socialism of our own style. [applause]

Our people are enjoying independent [chajujok] and creative life to their content in the bosom of the Republic. They are firmly united with revolutionary fidelity and comradely love, helping and leading each other. They are full of confidence and optimism and are adding luster to their high-value life by waging the creative struggle to achieve the far-reaching goal set by the party. Hence, our socialism is victoriously advancing without being slightly shaken amid the continuous pressure and blocking of the imperialists and reactionaries, and highly displaying its invincibility and dignity as a fortress of socialism despite the whirl of gray wind and yellow wind [opportunism and capitalist tendencies].

Indeed, because we had the respected and beloved Comrade Kim Il-song as the leader, our Republic has become so great and glorious; and because we had the benevolent bosom of the leader, our people have become a people with dignity and pride, enjoying the greatest happiness not possessed by people of any country in the world. [applause]

That the great leader Comrade Kim Il-song founded our Republic in the stern trial of history, built the most superior our-style socialism centered on popular masses, and developed its shining heyday, is a great historical achievement of the times and the revolution. At the same time, he greatly benefited our people. [applause]

Therefore, our people, who have boundless pride in and affection for their life today in which they enjoying the value of the independent man and the true benefit of life in the bosom of the Republic, proudly state that the bosom of the Republic is the bosom of the fatherly leader and the cradle of happiness, and our people's mind adoring the leader is becoming even stronger with each passing day.

Our people—who are enjoying true and happy life in the bosom of our Republic which is advancing under the banner of socialism despite the present circumstances where the imperialists' and reactionaries are perpetrating vicious counterrevolutionary offensive—feel the preciousness of the government of the Republic warmly in their hearts. At the same time, they cherish deep in their hearts the greatness of the revolutionary achievements of the respected and beloved leader Comrade Kim Il-song, who embodied the immortal *chuche* idea and built the mighty socialism centered on popular masses. [applause]

The DPRK, our glorious fatherland—which was founded in the stern tempest of the revolution and has been strengthened and developed—will grow and prosper forever with the name of the great leader Comrade Kim Il-song, and the revolutionary achievements which the respected and beloved fatherly leader made for the times and mankind will remain immortal with the century. [applause]

At this significant meeting to mark the 46th anniversary of the founding of the Republic, we give our most sublime respect and greatest glory to the great leader of our party and our people Comrade Kim Il-song, who founded our Republic with his outstanding ideological and theoretical activities and excellent leadership, turned it into an independent, self-reliant, and self-defending socialist power, established our-style socialist system of the popular masses in this land, and provided our people with the infinite happiness they enjoy today and bright future. [applause]

Comrades: Today the government of the Republic and our people have a both honorable and heavy task to fulfill under the party's leadership the *chuche* revolutionary cause pioneered by the respected and beloved leader Comrade Kim Il-song.

The dear leader Comrade Kim Chong-il has noted: To uphold the great leader with loyalty and purely inherit and fulfill the leader's cause is the consistent conviction and firm revolutionary volition of our party and people.

Completing to the end the *chuche* revolution pioneered and developed by the respected and beloved leader Comrade Kim Il-song is the general duty of the Government of the Republic and its historic mission. The revolutionary achievements, which the great leader Comrade Kim Il-song brought about by making great efforts in the turbulent course of his life for the fatherland and revolution, the country's reunification, and the independence of the world are, in view of their content and in view of their effects on the development of the era and history, great achievements no one could bring about. And, defending and protecting them and inheriting and developing them is a firm guarantee for brilliantly completing the *chuche* revolutionary cause generation after generation. [applause]

We must consider the great leader Comrade Kim Il-song's revolutionary achievements to be and an everlasting asset of our revolution and a lifeline, completely inherit them without fail, and, thus, fulfill their duty as genuine loyalists and dutiful children by implementing their oath which they made to the spirit of the deceased leader [suryongnimui yongjon] as revolutionary warriors.

"The great leader Comrade Kim Il-song is always with us!" "Let us more thoroughly arm ourselves with the great leader Comrade Kim Il-song's revolutionary ideas!"

They are revolutionary slogans that our party is more highly upholding to vigorously accelerate the struggle to complete the *chuche* revolutionary cause. [applause]

We must consider these revolutionary slogans of the party's as their mottoes in our life and struggle, cherish absolute reverence to the respected and beloved leader to our hearts as our firm belief, and fight to the end to complete the *chuche* revolutionary cause.

All officials and workers must thoroughly arm themselves with the great leader Comrade Kim Il-song's revolutionary ideas and lines, consider them to be the eternal guiding ideas and guiding principles of our Republic and revolution, and continuously and resolutely advance the cause of the Korean revolution along the single road of *chuche*.

In order to inherit and consummate to the end the *chuche* revolutionary cause pioneered by the respected and beloved Comrade Kim Il-song, the leadership of the dear leader Comrade Kim Chong-il should be upheld with loyalty. [applause]

The dear leader Comrade Kim Chong-il is the great leader [*yongdoja*] of our party and revolution who, considering inheriting and consummating the *chuche* revolutionary cause to be the grand mission of his life, has energetically led our revolution to ensure that it firmly advances based on the respected and beloved leader's revolutionary ideas and revolutionary achievements and who is leading the cause of the Korean revolution to victory at the vanguard of the revolution just like the fatherly leader did. [applause]

All officials and workers must cherish deep in their hearts the firm belief that the *chuche* revolutionary cause will be victorious without fail because Comrade Kim Chong-il, supreme commander of the Korean People's Army, who is the great inheritor of the *chuche* revolutionary cause and the sagacious leader [*yongdoja*] of our party and people, is standing at the vanguard of our revolution. They must also be boundlessly loyal to the party's leadership. [applause]

We should further strengthen the single-hearted unity of the party and the revolutionary rank to properly uphold the dear comrade leader's leadership. The single-hearted unity is the lifeline of our party and the most important thing of our revolution. All functionaries and working people should perfectly inherit the tradition of the unity and cohesion achieved in the beginning of the Korean revolution and unite themselves firmly in one ideology and volition around our party Central Committee with Comrade Kim Chong-il as the center. By doing so, they should protect our single-hearted unity, represented by the perfect harmony of the party and the revolutionary rank, like the apples of our eyes. [applause]

At the same time, they should make the entire society be governed firmly by the revolutionary leadership system and discipline, which enables the entire party, all the people, and the entire Army to move as one under the dear comrade leader's leadership, and by the revolutionary trait of implementing the party line, decisions, and instructions unconditionally and completely.

We can successfully implement the socialist, communist construction cause only when we strengthen the people's power and enhance its functions and role, and thoroughly implementing the three revolutions—ideological, technological, and cultural. By further strengthening the

people's power, which is the most consolidated and vital, we should protect, defend, and glorify the popular masses-oriented socialism of our own style under any difficult condition. [applause]

We should display even more the superiority of our country's socialist system by continuously accelerating the socialist economic construction. The great leader Comrade Kim Il-song elucidated the bright prospect of the socialist economic construction, methods to effect a great upsurge in the socialist economic construction, and specific tasks to be implemented by each unit, struggling devotedly for the people's happiness and the growth, prosperity, and development of the fatherland until the last moment when his heart stopped beating.

We should completely implement the teachings left by the great leader Comrade Kim Il-song, with the revolutionary spirit of self-reliance and fortitude, and accelerate the general socialist onward march even more vigorously with the spirit of Chollima plus the speed of the nineties.

All functionaries and working people should thoroughly implement the agriculture-first policy, the light industry-first policy, and the trade-first policy according to our party's revolutionary economic strategy. They should also harden the ground of the self-reliant national economy and guarantee the people's life more smoothly in accordance with the socialist demand, by firmly giving priority to the coal industry, the power industry, and the railway transport sector and continuously developing the metal industry. [applause]

Upholding the party slogan "Serve the people," all functionaries should always mingle with the popular masses, share sorrow and happiness with them, and devote all they have to leading the struggle to realize what the fatherly leader intended and desired to do while he was alive. By doing so, they should fulfill their honorable mission and duties as the leading members of the revolution and as the people's messengers.

We should concentrate due efforts on strengthening the country's defensive capabilities to cope with the enemies' war provocation maneuvers, further strengthen and develop our People's Army as the leader's [*suryong*] army, the party's army, and the army of the revolution, establish the social ethos of attaching importance to the military, and firmly deepen the defensive system by all the people and by the whole country so that we can firmly defend the socialist fatherland of *chuche* built by the great leader. [applause]

Reunifying the country is a supreme national task which should not be delayed even for a moment. It is also the historic cause which the great leader Comrade Kim Il-song desired so much and on which he concentrated great efforts while he was alive. The respected and beloved leader Comrade Kim Il-song, who was concerned about the tragedy of national division more than

anyone else, put forward most just and reasonable reunification policy and formulas at every period and phase of the developing revolution, and wisely led the struggle for their realization. Thus, he has opened up a bright vista for the road toward reunification and established a firm foundation which makes it possible for all the nation to continue advancing along the single road toward achieving national reunification and consummating the cause of national independence.

Reunification in our country should be achieved in accordance with the reunification formula of a confederal system based on one nation, one state, two systems, and two governments by embodying the three principles of independence, peaceful reunification, and great national unity and the 10-point program for great unity of the whole nation for national reunification clarified by the great leader Comrade Kim Il-song. [applause]

The great leader Comrade Kim Il-song called on the South Korean authorities to come to the road of reconciliation and (?dialogue) in response to the 10-point program for great unity of the whole nation which has embodied the unanimous desire of fellow countrymen and went so far as to take the important step of providing an opportunity for top-level talks of the sides. However, turning away these generous proposals of the fatherly leader and the desire of all the nation for reunification the South Korean authorities have continued dashing toward the road of relying on foreign forces, not the road of national independence, and toward the road of North-South confrontation, not the road of national unity.

In particular, they have viciously perpetrated the act of confrontation against the North and insidious acts by taking advantage of the greatest national mishap taken place in the other party of dialogue.

At a time when all the nation and all mankind were overwhelmed by great sorrow to receive the sad news on the loss of the great father of the nation only the Kim Yong-sam ring went into an alert posture, turning its rifle at us, far from expressing condolences, and perpetrated the inhuman outrage of arresting and imprisoning at random South Korean figures and young students who had tried to express their condolences.

The South Korean rulers, who are not only creating a new warlike security-oriented situation throughout South Korea, but are also brutally suppressing the people by employing the criminal National Security Law, brutally suppressed the fifth Seoul pannational rally, which is a patriotic and peaceful festival for reunification, branding it as an illegal rally benefiting the enemy, and also waged the unprecedentedly violent act of arresting and detaining those who advocate the chuche idea.

Thus, the Kim Yong-sam ring has openly revealed again to the world its true colors as the dirty splitlists opposing reunification and betraying the nation and as fascist fanatics.

The South Korean authorities can never avoid assuming responsibility for turning North-South relations, which intended to go on the road of reconciliation and cohesion [hwahaewa tanhap] through the persistent and sincere efforts, to the original point of hostility and confrontation. They cannot avoid being judged by history and the people, either.

We must thoroughly reject outside forces' intervention if it is to achieve the independent, peaceful reunification of Korea. Our fellow countrymen, who had lived harmoniously for a long time in a country which originates from Tangun [first king of the mythological Ancient Choson Dynasty] and which has a 5,000-year history, have been divided into two because of the intervention of outside forces. And, it is outside forces who pose a fundamental obstacle to peace in Korea and its reunification.

The great leader Comrade Kim Il-song, in his lifetime, opened a momentous phase for improving DPRK-U.S. relations and alleviating tension on the Korean peninsula. However, even after the issuance of the statement of agreement between us and the United States and the creation of the atmosphere for detente and peace, there are noteworthy [simsangchi anun] military moves in South Korea, continuously straining the situation on the Korean peninsula. We have to give due attention [ungdanghan chumogul tolliji anulsu opsumnida] to this.

The aggression forces have been systematically strengthened in South Korea, and military provocation maneuvers have been continuously kicked up against us there. This runs counter to the spirit of the DPRK-U.S. agreement. And, they are in no way beneficial to dialogue and peace.

The main forces of the fatherland's reunification are Korean people, and the strength of chuche is that of unity.

All compatriots in the North and South and abroad, irrespective of their differences in ideology, political views, and religion, must unanimously participate in the pannational movement for the fatherland's reunification and make particular contributions to the cause of the fatherland's reunification with strength if they have it, with knowledge if they have it, and money if they have it, depending on their own environments and conditions. [applause]

Obstacles and difficulties are still ahead of the fatherland's reunification. However, all Korean compatriots in the North and South and abroad, uniting under the banner of great national unity in hearty response to the leadership of dear Comrade Kim Chong-il, the lodestar of the fatherland's reunification, will achieve the fatherland's reunification in the nineties without fail by waging pannational struggles and, thus, make the fatherly leader's lifetime intention and desire blossom fully on the 3,000-ri fatherland. [applause]



The Government of the Republic, in hearty response to the great leader Comrade Kim Il-song's lofty intention, will consistently implement the foreign policies of independence, peace, and friendship and, thus, further strengthen friendship and unity with the people of all countries of the world—who protect independence—and continuously struggle to achieve the independence of the world. [applause]

The respected and beloved leader, who, by implementing the immortal *chuche* idea, glorified our Republic as an independent socialist country throughout the world and provided our people with the most superior socialism of our own style, was, is, and will always be with us as the great leader of our revolution. [applause]

The future of our people, who are walking along the single road elucidated by the great leader Comrade Kim Il-song in hearty response to the party's leadership is very bright, and our Republic will be rich, powerful, and prosperous forever. [applause]

Let us all firmly rally around the party Central Committee centered around Comrade Kim Chong-il [kim chong-il tongjirul chungsimuro hanun tang chungang wiwonhoe] and fight on for the victory of *chuche* socialism, the independent [chajujok] and peaceful reunification of the fatherland, and for the independence [chajuhwa] of the whole world. [applause]

Long live the great leader of our party and our people Comrade Kim Il-song! [applause]

Long live the honorable WPK, the organizer and guide [hyangdoja] of all victories of the Korean people! [applause]

Long live the DPRK, the honorable fatherland! [applause]

#### Party, Government Leaders Lay Wreaths

SK0909104694 *Pyongyang KCNA in English 1027 GMT 9 Sep 94*

[Text] Pyongyang, September 9 (KCNA)—Senior party and government officials, working people, People's Army soldiers and students and school children laid wreaths in the Revolutionary Martyrs Cemetery on Mt. Taesong in Pyongyang today on the occasion of the 46th founding anniversary of the Democratic People's Republic of Korea.

A wreath from the great leader of our party and our people Comrade Kim Chong-il, chairman of the National Defence Commission of the Democratic People's Republic of Korea and supreme commander of the Korean People's Army, was lying on the wreath-laying stand.

Wreaths were laid in the name of the Central Committee of the Workers' Party of Korea, the Central People's Committee of the Democratic People's Republic of Korea and the Administration Council and from the

Ministry of People's Armed Forces, the Ministry of Public Security, commissions and ministries of the Administration Council, working people's organisations, central organs, educational, cultural and art, health care and press organs, units of the Korean People's Army, party and power bodies and administration and economic organs, factories and cooperative farms in Pyongyang.

Present on the occasion were Kang Song-san, Kim Yong-nam, Kye Ung-tae and other senior party and government officials.

Written on the ribbons of the wreaths were the words "Glory to communist revolutionary martyrs!"

Bouquets of flowers were laid by working people of all walks of life, People's Army soldiers and students and school children.

Senior party and government officials and working people also laid wreaths in the patriotic martyrs cemetery today.

A wreath from Comrade Kim Chong-il was lying on the wreath-laying stand.

Present there were Yi Chong-ok, Kim Pyong-sik and other senior party and government officials.

#### Radio Talk Marks Anniversary

SK0809134694 *Pyongyang Korean Central Broadcasting Network in Korean 0900 GMT 8 Sep 94*

[Unattributed talk: "The Glorious Course Which the Republic Has Traversed Is a History of Victory, Which Has Advanced Under the Banner of Socialism"]

[Text] Today, our people are meaningfully marking the 46th anniversary of the founding of the DPRK with great national pride and dignity.

On the felicitous national day, our people are looking back, with deep emotion, upon the glorious course that our Republic has traversed.

The glorious course, which our Republic has traversed, is a history of the brilliant victory of the independent people who have vigorously advanced, upholding the banner of socialism.

The dear leader Comrade Kim Chong-il has indicated [chijok hasiotssomnida]: In the previous period under the great leader's leadership, our people had triumphantly traversed the difficult and complicated road of struggle for socialism. Today, they have reached a high stage where they are firmly looking forward to the complete victory of socialism.

The glorious course which our Republic has traversed is shining, above all, with the history in which the subject [chuche] of revolution has been strengthened and the role of the subject has been enhanced, and thereby the

popular masses have victoriously carried through socialism, upholding the banner of socialism.

The question of strengthening the subject of revolution and enhancing its role is a basic question that determines the fate of the construction of a socialist society.

Socialism is the society in which the popular masses are the masters and is the society that develops thanks to the conscious and creative struggle of the popular masses who are armed with the socialist ideology, and unified and united as one. Therefore, to strengthen the subject of revolution and enhance its role serves as a basic way to push successfully for the socialist construction.

If one cannot strengthen the subject of revolution and enhance its role, one cannot defend the socialist system, which has been achieved with blood, nor can one triumphantly advance the socialist cause. This is a serious lesson left by the history of the communist movement.

Our party and the Government of the Republic have put forth the question of strengthening the subject in revolution and construction under the wise leadership of the great leader and the dear comrade leader as a basic question of determining the fate of revolution.

From the first period in which he began leading the revolution and construction, the great leader had taken deep interest in the work of remodeling man. In conformity with the new environment in which the socialist system was established in our country, he had firmly armed all people with the *chuche* idea, thereby uniting them firmly around our party and the Government of the Republic.

The great leader had also had all people engaged in an organizational and ideological living in social and political organizations, and had everyone of them endlessly receive education under a certain type of educational system, thereby having them firmly prepared as socialist builders equipped with a high revolutionary spirit and a creative ability.

The great leader also had the Government of the Republic consistently carry through the revolutionary mass line in its activities, thereby rallying the broad masses around the party and helping the popular masses enhance their creative role in revolution and construction in every way.

In our country, the struggle to strengthen the subject of revolution and enhance its role has been further intensified and developed under the wise leadership of the dear comrade leader.

By releasing various classical works, the dear comrade leader has provided guidelines, which should be persistently kept up in terms of strengthening the subject of revolution, and has brilliantly embodied them, thereby further intensifying and developing the unity and cohesion of the party and the revolutionary ranks—which the

great leader had achieved—into the most solid single-hearted unity of the whole society.

Thanks to the ever-victorious single-hearted unity which the dear leader Comrade Kim Chong-il has achieved, our people have been able to vigorously march forward unflinchingly while upholding the banner of socialism, even under the circumstances in which socialism has collapsed in some countries in recent years and the pressure from the imperialists and reactionaries has been intensified further than ever before.

The glorious course which the Republic has traversed also is a history of victory in which our party and the Government of the Republic have consistently held fast to the basic principle of socialism, thereby helping the popular masses vigorously march forward upholding the banner of socialism.

Socialism is the society which develops on the basis of its own peculiar [*koyuhan*] principle. Therefore, if the popular masses are to build the socialist society, they should consistently hold fast to the principle of socialism.

The principle that should be consistently held fast to in the socialist construction is to thoroughly defend and embody the independent demands and interest of the popular masses.

If one is to build socialism in conformity with the independent demands and interest of the popular masses, it is necessary to strengthen the party of the working class; to firmly guarantee the party's leadership over revolution and construction; to endlessly enhance the function and role of the socialist government [*chongkwon*]; to defend and develop socialist-style ownership; and to resolutely struggle against imperialism.

This is the revolutionary principle that can never be conceded in terms of having the popular masses uphold the banner of socialism to the end.

In the previous period, under the wise leadership of the great leader and the dear comrade leader, our party and the Government of the Republic firmly held fast to the revolutionary principle under any circumstances, and had the principle of socialism thoroughly embodied in the revolution and construction, thereby helping the popular masses vigorously march forward along the road to socialism unflinchingly.

The great leader and the dear comrade leader mapped out the party's lines and policies by making a comprehensive compilation of the will of the popular masses, and wisely led the popular masses to push for the revolution and construction independently and creatively in conformity with our country's reality, while shouldering the responsibility for the (?fate) of Korea themselves. At the same time, at every period and stage of the revolutionary development, the great leader and the dear comrade leader helped strengthen the party and the state power [*chongkwon*], and enhance their function and role in every way; and they wisely led so that the

revolutionary principle—of endlessly developing the socialist-style ownership and firmly adhering to the anti-imperialist stance—can be thoroughly embodied.

Thanks to the wise leadership of the great leader and the dear comrade leader, our people have been able to consistently hold fast firmly to the chuche-oriented position in the revolution and construction, and to build the socialist society with a self-reliant national economy and self-supporting national defense capabilities that can reliably guarantee the happy material and cultural life of our people and the security [anjon] of the fatherland.

The glorious course that our Republic has traversed is also a history of victory in which the popular masses have embodied the principle of uninterrupted revolution, thereby vigorously marching forward to successfully build the socialist society while upholding the banner of socialism.

The socialist and communist cause, the independent cause of the popular masses, is the historic cause that is implemented for a long period of time. Therefore, in order to completely realize independence [chajusong] of the popular masses, it is necessary to continuously accomplish the revolutionary tasks of several stages, and to endlessly continue the revolution until the communist society is built.

Our party and the Government of the Republic have thoroughly embodied the idea of uninterrupted revolution in conformity with the requirements of the laws of socialist and communist construction under the wise leadership of the great leader and the dear comrade leader, thereby endlessly advancing the independent cause of the popular masses—which is implemented on several stages—and helping the popular masses—the masters of revolution and construction—vigorously march forward, while upholding the banner of socialism.

Because our party's idea of uninterrupted revolution has been thoroughly embodied, the democratic revolution against imperialism and feudalism has been thoroughly implemented in our country. After the democratic revolution was implemented, our country has immediately set out on the road to implementing the socialist revolution. Therefore, in the short period after the war, our people have been able to carry out the historic task for the socialist transformation of the relations of production, and to establish the socialist system in which the exploitation and oppression of man by man have been liquidated.

The victory of the socialist revolution and the establishment of the socialist system serve as historic events that carry great significance in realizing the independence of the popular masses. However, the revolution does not end here. Therefore, in order to overcome the transitional nature of the socialist society and enter into a high stage of communism, it is necessary to continuously carry out revolution in the ideological, technological, and cultural fields.

The great leader put forth the original line of the three revolutions—ideological, technological, and cultural—and wisely led our people to its brilliant implementation, thereby helping successfully build socialism and communism.

The struggle to accomplish the three revolutions line put forth by the great leader has been further intensified and developed at a new high stage under the wise leadership of the dear comrade leader.

In order to further intensify the three revolutions, the dear comrade leader put forth the revolutionary slogan: "Ideology, technology, and Culture—all in accordance with the demands of chuche!" and he has wisely led so that the popular movements, including the movement to win the red flag of three revolutions, should be vigorously waged. As a result, endless upsurges have been achieved in the socialist construction.

Really, under the wise leadership of the great leader and the dear leader Comrade Kim Chong-il, the subject of revolution has been strengthened, and the revolutionary principle and the idea of uninterrupted revolution have been thoroughly embodied in socialist construction. Therefore, the Government of our Republic and the people have been able to successfully overcome all kinds of difficulties and hardships arising along the onward march; to triumphantly advance the socialist cause; and to create the brilliant history of the independent people who are marching forward, upholding the banner of socialism.

Under the wise leadership of the dear leader Comrade Kim Chong-il, we will accomplish the socialist and communist cause to the end, while continuously upholding the banner of socialism.

#### Papers Dedicate Editorials

SK0909102194 *Pyongyang KCNA in English 1005 GMT 9 Sep 94*

[Text] Pyongyang, September 9 (KCNA)—Papers here today dedicate editorials to the 46th anniversary of the founding of the Democratic People's Republic of Korea (September 9, 1948).

In an editorial headlined "Our Republic Will Endlessly Prosper Under the Banner of the Great Chuche Idea" NODONG SINMUN says it is the greatest feat performed by the respected leader Comrade Kim Il-song for the country and the people that he founded the immortal chuche idea, turned the country once most backward into a most dignified powerful socialist state of chuche and laid a solid foundation for the endless prosperity and development of our republic and the eternal happiness of the generations to come with his tireless and energetic guidance.

The respected leader with matchless clairvoyant intelligence and extraordinary farsight saw the historic necessity of the inheritance of the revolutionary cause long ago



and made a substantial preparation for it and achieved the singlehearted unity of the whole party and the whole society, the invincible, eternal banner of our republic, the editorial says, and goes on:

Today when they are dynamically accelerating the general march of Korean-style socialism, changing bitter grief into thousand-fold strength and courage, united around the dear leader Comrade Kim Chong-il in one mind, our people keenly feel how great and precious the feats of the respected leader are, the feats in unfolding a vast and bright future before our republic.

We are now facing the noble tasks to eternally glorify our republic which the respected leader founded, strengthened and developed, the editorial says, and stresses:

First of all, we must uphold the leadership of Comrade Kim Chong-il with loyalty and filial piety.

The dear leader Comrade Kim Chong-il is immediately our motherland, and vice versa. Our people see the resourcefulness of an iron-willed brilliant commander, an outstanding statesman and a great strategist in the experienced and tested leadership of the dear leader who is leading along an ever-victorious road the difficult and complicated socialist construction in an acute confrontation with the enemy and are firmly convinced of the bright future of our republic.

Our country will remain impregnable forever and no one can dare infringe upon the sovereignty of our nation because it has the dear leader with both literary and military accomplishments and loyalty and filial piety at the head of our republic.

MINJU CHOSON says the struggle for glorifying our republic established by the great leader Comrade Kim Il-song is a noble struggle to accelerate the eternal prosperity of the country and its bright future and victory and glory will be always in store for our republic which is advancing under the banner of singlehearted unity, with the dear leader Comrade Kim Chong-il at its head.

#### **Farm Workers Pledge Loyalty to Kim Chong-il**

SK0809141394 *Pyongyang Korean Central Broadcasting Network in Korean 1300 GMT 7 Sep 94*

[Text] The Yonbaek plain, where the great leader Comrade Kim Il-song gave on-the-spot guidance in August of last year, has come to enjoy an unprecedented bumper crop this year.

Acquainting himself with this year's farm situation of the Yonbaek plain in detail, the dear comrade leader expressed deep satisfaction over unprecedented bumper crops yielded in the Yonbaek plain. In addition, he took trailblazing measures of sending party and government cadres to the spot to congratulate farmers of the Yonbaek plain on this year's rich harvest and letting them mingle with farmers, thus warmly binding their hearts.

Thanks to the dear comrade leader's benevolence and consideration, party and government cadres and agricultural working people of the Yonbaek plain warmly met each other on the spot. Recalling the immortal achievements of the fatherly leader who devoted his entire life for the ultimate solution of the socialist rural problems, they were filled with an oath of loyalty to faithfully uphold the dear leader Comrade Kim Chong-il's leadership by thoroughly implementing the leader's lifetime will.

After looking around various cooperative farms in the Yonbaek plain, Kim Won-chin, chairman of the Agricultural Committee; An Pom-su, agricultural farmer of the Yokkudo-ri cooperative farm in Paechon County; and his daughter said as following:

[Begin recording] [Kim Won-chin] On the first anniversary of the great leader Comrade Kim Il-song's on-the-spot guidance to the Yonbaek plain, the dear comrade leader has sent the members of the Political Bureau of the party Central Committee and cadres of central organs to this place. I think this was a measure to make them learn by the spirit of faithfully serving the people, which was cherished by the great leader. I, as a responsible secretary of the Agricultural Committee, make a firm resolve to make a report of loyalty to the dear comrade leader on the successful windup of this year's farming by carrying out farming well.

[An Pom-su] Upholding the fatherly leader's teaching in last year's on-the-spot guidance to the Yonbaek field that he will visit this place if bumper crops are achieved once again, our agricultural working people in Yokkudo-ri have cultivated unprecedented bumper crops. However, the fatherly leader left us. How sad this is!

Upon reading our people's minds, the dear comrade leader has sent party and government cadres to our farm and, thus, greatly encouraged us. I all the more keenly feel the dear comrade leader's warm love and solicitude. Upholding the great leader's lifetime will, the agricultural working people of our farm will fully wage the combat of the forthcoming harvest and will completely end harvest by 10 October in order to be all the more faithful to the dear comrade leader with increased grain production.

[An's daughter] As my father said just before, unprecedented bumper crops have ripened on our farm. This accomplishment entirely stems from benevolence of the fatherly leader and the dear comrade leader. Still more, the dear comrade leader has sent party and government cadres to our Yokkudo-ri cooperative farm and greatly encouraged our cooperative farmers. Words fail to express his trust and love. In hearty response to the immortal teaching given by the fatherly leader during his on-the-spot guidance last year, I will faithfully repay the dear comrade leader's warm love and confidence endowed on our agricultural workers by harvesting every single grain without neglect. [end recording]

### **KCNA Reports National Flower Begins To Bloom**

SK0809223194 *Pyongyang KCNA in English 1507 GMT 8 Sep 94*

[Text] Pyongyang, September 8 (KCNA)—Magnolia, the national flower of Korea, has come into bloom again at the revolutionary martyrs cemetery on Mt. Taesong in Pyongyang here the noble souls of revolutionary martyrs repose.

Magnolia began to blossom again in late August less than two months after the death of the great leader President Kim Il-song.

The flower is one of those he loved most in his lifetime. He said Magnolia is as beautiful as peony and has a sweet odor and good-looking leaves.

Magnolia comes into bloom in May-June in Korea.

But in late August blossoms began to appear on the trees near the monument bearing an inscription of the autograph of President Kim Il-song in the cemetery and on both sides of the steps of it. Their number grew into scores early (this) month.

Seeing the trees come into bloom again after the death of the father of the nation, people feel a greater longing for him.

## **South Korea**

### **Han Delivers Kim Yong-sam's Message to Clinton**

SK0809235594 *Seoul YONHAP in English 2349 GMT 8 Sep 94*

[Text] Washington, Sept. 8 (YONHAP)—Foreign Minister Han Sung-chu called on U.S. President Bill Clinton at the White House Thursday and handed him a message from President Kim Yong-sam explaining the Seoul government's stance on resolving the North Korean nuclear problem. In the message, President Kim stressed the importance of making headway in inter-Korean dialogue during the Washington-Pyongyang high-level talks. Foreign Ministry spokesman Chang Ki-ho disclosed.

Clinton reportedly agreed that progress in inter-Korean relations should go hand in hand with improvement in U.S.-North Korea ties, and that transparency in Pyongyang's past nuclear activities must be secured.

### **Unification Meeting Discusses Han's U.S. Visit**

SK0909060194 *Seoul CHUNGANG ILBO in Korean 9 Sep 94 p 3*

[Report by Kang Yong-chin]

[Text] The government has been seen engaged in a move to push for the South-North dialogue in earnest if Kim Chong-il's succession to power is officially confirmed.

Such a move by the government is construed as part of our government's efforts to see the fulfillment of its position that the progress of the North-U.S. relations should go in step with the direct dialogue between South and North Korea.

On the afternoon of 8 September, the government held a meeting of the Unification-National Security Policy Coordination Council presided over by Yi Hong-ku, deputy prime minister and minister for the national unification, at the Chongwadae [presidential offices], in which the participants analyzed the results of Foreign Minister Han Sung-chu's visit to the United States and discussed the government's future policy toward the North.

It was learned that the participants believed Minister Han's visit to the United States was successful in calming down the controversial differences of opinions between the ROK and the United States over the [U.S.-DPRK] negotiations of North Korea's nuclear issue, and in removing ROK citizens' worries over the speed of the improvement of relations between the North and the United States.

It was also learned that the participants shared the view that it was necessary to create an appropriate atmosphere to realize the resumption of the South-North dialogue in order to see the realization of the South-North dialogue in tune with the North-U.S. dialogue.

It was also reported that the participants shared the understanding that the tense situation between the South and North, which had been aggravated right after the planned South-North summit talks fell through following Kim Il-song's death, was not conducive at all to the solution of the nuclear issue or to the stabilization of the Korean peninsula.

On 9 September, one relevant government official said: "Deputy Prime Minister Yi's 7 September remarks, which stressed the need to hold the South-North dialogue, and Minister Han's visit to the United States are part of our efforts to create an appropriate atmosphere for dialogue in preparation against the upcoming succession of power by Kim Chong-il."

### **DPRK Delegation Leader Cited on Arrival in Berlin**

SK0909033694 *Seoul YONHAP in English 0212 GMT 9 Sep 94*

[Text] Seoul, Sept. 9 (YONHAP)—The United States and North Korea will open separate expert-level talks in Pyongyang and Berlin this weekend to deal with the issues of exchanging liaison offices and finding a solution to the row over Pyongyang's nuclear program.

A five-member U.S. delegation headed by Lynn Turk, who is in charge of Korean affairs, left Washington early Friday morning (KST) [Korean Standard Time] to attend the experts' meeting in Pyongyang. YONHAP's

correspondents in the American capital reported. The delegates will be the first U.S. diplomats ever to make an official visit to North Korea.

During their stay in Pyongyang until next Tuesday, they are scheduled to have working consultations with North Korean officials on opening a liaison office in each country's capital.

Sources in Washington observed that the details of the upcoming expert-level talks will not be made public as they are part of preliminary consultations prior to the resumption of the third round of high-level negotiations on Sept. 23.

The American delegation's visit to Pyongyang, the sources said, will provide a good opportunity to assess the situation in North Korea, including the new power structure under Kim Chong-il following the death of his father Kim Il-song.

In the meantime, another U.S. delegation led by Gary Samore, a State Department working-level official in the regional Nuclear Nonproliferation Bureau, will soon depart Washington for Berlin to take part in the expert-level talks on North Korea's nuclear program. The delegation comprises 12 to 13 members.

The North Korean delegates are already in Berlin, having arrived Thursday.

Delegation leader Kim Chong-u, vice chairman of the External Economy Commission, said in an arrival statement that the experts' meeting will cover assistance to North Korea in the construction of light-water nuclear reactors and the provision of alternative energy to replace its graphite-moderated reactors.

Upon arrival at Berlin's Schoenefeld Airport aboard a North Korean Airways JS215, Kim said the delegation hoped the talks with America would be productive. "At the same time, it looks forward to a positive response from the U.S. delegation."

Kim was uncertain when the weekend talks would start or how long they would last, explaining that a detailed schedule would be determined through consultation with the U.S. delegation.

#### **Group Recommends Air Force Import F-15e Jets**

SK0809093294 Seoul CHUNGANG ILBO in Korean  
8 Sep 94 p.3

[Text] It has been learned that the ROK Air Force is considering importing F-15e fighters, which are much better than F-16 fighters, the next-generation fighter of the ROK Air Force. It is also considering the introduction of an aerial refueling plane (KC-X) and an aerial early warning control plane (E-X).

During the policy seminar held by the Korea Aviation Association at the Seoul Textile Center on 8 September to mark the second anniversary of its founding, Yi

Chin-hak, chief of the Aviation Project Team of Air Force Headquarters, stated: "The ROK Air Force should secure F-15e fighters to maintain its top-level air force capability among the countries surrounding the Korean peninsula, including China and Japan. It should use them in a repressive war capability [kangup chonryok] in time of conflict, enabling them to carry out key operations in time of war." Chief Yi released his thesis that day entitled "The Military Situation in Northeast Asia and the Role of Aviation Capability."

He added: "To secure an independent capability to carry out a war, information on battle fields should be assessed, analyzed, and distributed every hour. To achieve this, the Air Force will need an aerial early warning control plane and an aerial refueling plane, including JSTARS." (The system that monitors movable targets on the ground from the sky.)

"F-15e fighter means either F-15e's, the main fighter of U.S. Air Force, or the European fighter (EFA) now under development by the European countries, including Germany and the United Kingdom."

#### **Military Police Arrest 3 U.S. Soldiers for Assault**

SK0909111694 Seoul YONHAP in English 1107 GMT  
9 Sep 94

[Text] Tongduchon, Sept. 9 (YONHAP)—The Uijongbu police on Friday [9 September] caught three American soldiers and turned them over to the U.S. Military Police after they assaulted three Koreans inflicting on them injuries requiring three to eight weeks' treatment.

Two of the three were identified as PFC. Oliver Harry, age 24, and Pvt. Wisdom Douglas (phonetic), 20, both of an infantry company of the U.S. Army Second Division.

A police source said that the three, together with seven other American soldiers, attempted to carry away a motor-bike near the Arirang Restaurant at Posa-tong, Tongduchon, around 11:30 P.M. Thursday.

When Pak Su-kun, 41, of Posa-tong, who happened to be at the scene, tried to keep the soldiers from taking the bike, they assaulted him.

The American soldiers also beat two other Korean men who attempted to prevent the G.I.'s from beating him.

U.S. military authorities called on the victims at a Tongduchon hospital, offering them an apology and disclosing a plan to punish the ten soldiers involved, the source said.

#### **DPRK Vice President Cited on Kim Inauguration**

SK0909032094 Seoul YONHAP in English 0259 GMT  
9 Sep 94

[Text] Seoul, Sept. 9 (YONHAP)—North Korean Vice President Pak Song-chol has said that Kim Chong-il will



officially assume power after the mourning period for his father Kim Il-song comes to an end, an opposition party lawmaker disclosed Friday.

Rep. Pak Kae-tong of the Democratic Party said the North Korean vice president made the remark at a brief meeting with the South Korean delegation at a ceremony marking the 25th anniversary of the Libyan revolution held in Tripoli on Sept. 1.

The opposition lawmaker was a guest of the Libyan Government along with Rep. Cho Chin-hyong of the ruling Democratic Liberal Party.

Asked when Kim Chong-il would succeed to power, the North Korean vice president replied: "Why on earth does it matter? The succession took place 20 years ago," according to the opposition legislator.

When further asked about speculation that Kim's official succession might take place on Sept. 9 or Oct. 10, Pak was quoted by the lawmaker as having replied that "it will be coming after the people's mourning period ends." Pak's remarks indicate that Kim's inauguration as state president and party general secretary would take place after Oct. 16, the day when the 100-day mourning period comes to an end.

Rep. Pak said the North Korean official also had a close look at a South Korean-made Daewoo passenger car purchased by the Libyan Government for the state ceremony.

"The five-member North Korean delegation, including Vice Foreign Minister Kim Yong-il, was very constrained in their attitude and they reacted bluntly toward us when we came across them at hotel restaurants," he said.

#### **Chong-il Reportedly Suffers From Diabetes**

SK09090955694 Seoul KBS-1 Radio Network in Korean 0930 GMT 9 Sep 94

[Text] On 9 September, it was learned that Kim Chong-il's health recently become extremely aggravated to the point that he is treated every morning for his sickness, and thus can work only several hours in the afternoon. A high-ranking Western diplomatic source in Beijing stated he heard this news from a high-ranking Chinese figure well-versed in North Korean affairs. He added that it is assumed Kim Chong-il is suffering from severe diabetes and heart disease, the latter a complication arising from the diabetes.

#### **Agency Reports 3 DPRK Loggers Seek Asylum**

SK0809130494 Seoul YONHAP in English 1150 GMT 8 Sep 94

[Text] Seoul, Sept. 8 (YONHAP)—Three more North Korean loggers assigned to Siberian logging yards arrived

in Chinhae near Pusan on Thursday and sought asylum in South Korea, the Agency for National Security Planning said.

The agency identified the three as Chong Chin-man, age 46, formerly of a Khabarovsk logging and processing plant; Choe Hyong-kun, 40, assigned to a project to build a coal industrial plant in Russia; and Kang Yong-hung, 39, of the third project yard of Khabarovsk's first joint group. The three defectors reached Chinhae aboard a freighter of a third country's nationality, the agency said.

#### **DPRK Embassy Staff Gets No Funding From Pyongyang**

SK0809055894 Seoul CHOSON ILBO in Korean 8 Sep 94 p 7

[By correspondent Paek Sung-chun from Beijing]

[Text] On 7 September, Beijing sources stated that since last June officials at the DPRK Embassy in Beijing had received no remittances from Pyongyang to pay for the expenses of their stay in the city. Quoting North Korean Embassy officials, the Beijing sources added: Officials at the North Korean Embassy in Beijing, the most important among the DPRK's foreign missions, have received no remittances because the North's foreign currency problem has drastically worsened recently.

The sources also said: As a result, embassy officials frequently ask the Chinese to sell on the Koreans' behalf the works of art and antiques which the Koreans brought in with them.

Approximately 40 officials are working at the DPRK Embassy in Beijing. Most of them stay in Beijing without their families, boarding and lodging in the embassy compound.

#### **NUB Approval for N-S Trade Down 'Significantly'**

SK0809051294 Seoul YONHAP in English 0457 GMT 8 Sep 94

[Text] Seoul, Sept. 8 (YONHAP)—Government approvals for inter-Korean trade in August dropped significantly from the previous month, the National Unification Board (NUB) said Thursday [8 September].

The NUB said it approved 14.6 million U.S. dollars in inter-Korean trade in August, down 61 percent from 23.8 million dollars in July and 45 percent from the same month of last year.

Permission for South Korean purchases of North Korean goods came to 13.8 million dollars while that for the South's sales to the North was 780,000 dollars in August.

A NUB official said, "Applications for the purchase of North Korean metals including gold and zinc were very low in the month, lowering total approvals for inter-Korean trade."

Meanwhile, South and North Korea posted about 19.6 million dollars in two-way trade in July, up 58 percent from 12.4 million dollars in the previous month and 7 percent higher than the year before.

### 17 Million Endorse N-S Family Reunions

SK0909101494 Seoul YONHAP in English 0823 GMT  
9 Sep 94

[Text] Seoul, Sept. 9 (YONHAP)—Some 17 million people from 128 countries have joined a pan-international signature-collecting campaign calling for the reunion of families separated between South and North Korea, reputedly setting a world record for such a drive.

The Pan-International Movement Headquarters for the reunion of dispersed families in South and North Korea said Friday [9 September] that the list includes 54,000 foreign dignitaries from around the world. Among them are 10 heads of state, 32 Nobel prize winners and 10 key figures from the United Nations, the headquarters announced. The dignitaries range from South African Archbishop Desmond Tutu and Tibetan spiritual leader the Dalai Lama to Turkish President Suleyman Demirel.

The headquarters said that some 16.95 million people have joined the signature-collecting drive.

The group plans to hand over the list to the government to advance settlement of the family reunion issue while sending the list to other international organizations such as the United Nations, Red Cross International and the International Human Rights League.

A spokesman for the headquarters explained that a final appeal to the world has been launched as no fruit has been borne from its past activities.

The number of people signing up for the movement is 4 million more than the previous record of 13 million, held by the National Agricultural Cooperative Federation in protest at Korea's rice market opening.

The spokesman disclosed that an application will be filed with the Guinness Book of Records for the record-breaking event.

### Daily Views Cost of N-S Unification

SK0909084294 Seoul THE KOREA TIMES in English  
9 Sep 94 p 9

[Text] How much will unification cost South Korea? The answer is different according to when it is realized.

According to a recent report compiled by the state-run Korea Development Bank, the probable cost South Korea would have to pay after unification would be around 1,200 trillion won over the next 10 years if South and North Korea were to be unified right now following a sudden North Korean collapse.

If unification is realized in 2000 after the gradual improvement of relations between two sides, the cost of unification for the South will be around 18,000 trillion won, it said.

This shows that the later the unification takes place, the more South will have to pay, the report said.

The calculations assumed that unification will equalize the income of South and North 10 years after it takes place.

This means that if a sudden collapse of the Northern regime were to result in the unification, South would have to pour four times the value of the nation's real gross national product (GNP) in 1994.

If unification is realized in 2000, South will have to pay six times the GNP in order to equalize the income of the two sides.

According to the report, North's current GNP amounted to 20.5 billion dollars in 1993, one 16th of that of South Korea. Per capita GNP of the North was projected at 904 dollars, compared with 7,466 dollars of the South.

The report also said after reunification, South will have to pay about 100 billion dollars (80 trillion won) annually to equalize the two sides' incomes in the next 10 years.

This 100 billion dollars happens to be the same amount former West Germany, which is economically five times as big as South Korea, has paid annually since German unification.

This data indicates that the cost of Korean unification will be about five times that of Germany.

After unification, the German economy recorded negative 1.2 percent growth in 1993. Inflation has remained at the 4 percent level since 1990.

Before unification in Germany, the per capita GNP of eastern Germany was half that of western Germany.

Considering the wider income gap between South and North Korea, South Korea will have to shoulder a larger burden than western Germany did, the report noted.

### Ministry Denies Accepting 'Sea of Japan' Label

SK0909094194 Seoul YONHAP in English 0046 GMT  
9 Sep 94

[Text] Seoul, Sept. 9 (YONHAP)—Seoul denied reports Friday [9 September] that it has agreed to call the controversial body of water between Japan and South Korea the "Sea of Japan" at an upcoming environmental conference, saying negotiations are still under way with Tokyo.

The Foreign Ministry was reacting to reports that South Korea has decided to accept the designation sea of Japan at next week's Northwest Pacific Action Plan (NOW-PAP) conference in Seoul.

South Korea insists the body of water should be called the "East Sea."

The area will be labeled the sea of Japan only once in NOWPAP conference documents, but the label carries a footnote that it bears no influence over Seoul-Tokyo negotiations on the matter, the ministry said.

**Government To Oppose Using Label**

*SK0909095394 Seoul YONHAP in English 0510 GMT 9 Sep 94*

[Text] Seoul, Sept. 9 (YONHAP)—South Korea said Friday [9 September] it will not adopt any document at next week's regional environmental conference that contains the name "Sea of Japan" for the body of water lying between Korea and Japan.

"We will forgo passage of an action plan at the conference," said Choe Yong-chin, director-general of International Economic Affairs at the Foreign Ministry. "We will try our best to resolve the controversy, but if not, we will not accept any document that refers to the area as the Sea of Japan."

Seoul hosts the first inter-governmental conference of the Northwest Pacific Action Plan (NOWPAP) next week where participating countries, including Russia, Japan, China and Mongolia, are to adopt an action plan on environmental protection.

The parties had generally agreed to label the area Sea of Japan at three previous preparatory meetings, but Choe said Seoul will oppose inclusion of the label at the formal government conference next week.

Seoul previously raised issue with the name back in August 1992 at a U.N. meeting, pointing out that the body of water was called the Sea of Korea back in the 1700s and 1800s.

Maps dating back to those times differ, with some labeling it the Sea of Korea while others call it the Sea of Japan.

Choe said the government is studying alternative names for the sea.

**Press Agency Chief Departs for Beijing Assembly**

*SK0909095094 Seoul YONHAP in English 0502 GMT 9 Sep 94*

[Text] Seoul, Sept. 9 (YONHAP)—Hyon So-hwan, president of South Korea's YONHAP news agency, departed Friday [9 September] for Beijing to attend the ninth general assembly of the Organization of Asia-Pacific News Agencies (OANA), scheduled to open Sunday under the auspices of China's official XINHUA news agency. During his stay in Beijing, Hyon will sign an agreement with XINHUA President Guo Chaoren on direct exchanges of news and photographs and mutual cooperation in the cultural field.

**Construction Orders From PRC Firms Up in 1994**

*SK0909094794 Seoul YONHAP in English 0155 GMT 9 Sep 94*

[Text] Seoul, Sept. 9 (YONHAP)—China is surfacing as Korea's major overseas construction market, with orders from the neighboring country surging this year.

The Overseas Construction Association of Korea revealed Friday [9 September] that domestic builders have received 561.80 million U.S. dollars in orders for six Chinese projects so far this year, a drastic jump from 17.57 million dollars for one project during the first eight months of last year.

China topped the list of overseas construction orders placed with Korean companies, exceeding 431.90 million dollars from Saudi Arabia, Korea's leading construction market in the Middle East, and 382.70 million dollars from Singapore, its major market in Southeast Asia.

Jinro Construction Co. took the lead in the rush into China, receiving a 500-million-dollar order for a construction project in the Haikiki coast development region in Hainan Province last month.

Dong-ah Construction Co. won orders worth 13.70 million dollars for the Korea office building and housing project in Hunchun in May and 15.70 million dollars for the Lake Garden Project in Shenyang. In addition, Hanshin Construction Co. and Insan General Construction Co. received orders to build apartments and a golf course, respectively, the association said.

Total construction orders for this year are expected to increase as such firms as Hyundai Engineering and Construction Co., Daewoo Corp. and Samsung Construction Co. are pushing to land orders for large-scale engineering projects centering on Social Overhead Capital (SOC), housing redevelopment and reconstruction.

An association official said, "China is rising as Korea's main overseas construction market as the country is pushing ahead with a series of large-scale development projects based on the economic growth so far."

Meanwhile, domestic companies had received 4,309.65 million dollars worth of overseas construction orders for 83 projects by last month's end, up from 2,125.17 million dollars for 50 projects in the same period last year, according to association figures.

**Hyundai To Produce Vans in PRC From 1996**

*SK0909100594 Seoul YONHAP in English 0810 GMT 9 Sep 94*

[Text] Seoul, Sept. 9 (YONHAP)—Hyundai Motor Co. signed a contract Friday [9 September] to build a factory to assemble "Grace" vans in Wuhan, Hubei Province, in a joint venture with Chinese and Taiwanese firms, an industry source here said.



This is the first time that a South Korean automaker has been allowed to assemble and market South Korean-brand automobiles in China. According to the contract signed by Hyundai Motor President Chon Song-won and his Chinese and Taiwanese counterparts in Wuhan, Hyundai will produce 60,000 Graces annually starting in early 1996 at the joint-venture factory, whose construction will begin as early as next month, said the source well versed in the Chinese affairs.

The joint venture, Wuhan Wantong Co., was originally set up by 18 motor vehicle parts makers from China and Taiwan for the production of completed cars in China with an investment of 20 million dollars, according to the source.

Taiwanese firms have a 70-percent stake in the joint venture and Hyundai will take over 30 percent from these companies, the source said.

Two Chinese firms have a 30-percent holding in the joint-venture firm.

Wuhan Wantong Co. decided to bring in knock-down kits of Hyundai's Grace vans for assembly in China because of the difficulty faced in obtaining parts inside China, said the spokesman. The vans to be assembled by Wuhan Wantong Co. will be sold in China under the Hyundai brand name.

Hyundai plans to assemble six- and 12-seat Grace vans in the Chinese factory initially while expanding the production line for medium-sized buses, the spokesman said.

### Seoul Not To Take Steps To Increase Car Imports

SK0909085294 Seoul THE KOREA TIMES in English  
9 Sep 94 p 8

[Text] Washington (Special)—Korea has made it clear to the United States that it will not take additional steps to expand imports of foreign cars beyond the package of improvements announced on June 22.

The Korean government position on the opening of its car market was conveyed by Minister of Trade, Industry and Energy Kim Chol-su in his meeting with U.S. Trade Representative Mickey Kantor here Wednesday [7 September].

During the talks, Kantor expressed his gratitude to the Korean government for its efforts to open the car market wider but called for another round of negotiations to improve the Korean import system and change the negative Korean conception of foreign cars.

However, Minister Kim told him that the Korean government does not feel any need to take an additional steps to improve the import system on the grounds that the June 22 package includes all possible ways to expand imports of foreign cars.

Among the steps in the package are the reduction of customs duty from 10 to 8 percent, the increase in the size and the number of showrooms and permission for advertising on TV and in other media sources.

Minister Kim is visiting the United States on a tour of four countries including India, Pakistan and Canada to seek their support for his election as director general of the World Trade Organization (WTO). The United States is the last leg of his trip.

He said that the Korean government will cooperate with the United States to change the negative Korean attitude to owning imported motor vehicles. He called upon American car makers to step up their marketing activity in Korea to sell more.

Kim and Kantor agreed to further discuss the wider opening of the car market, the most outstanding trade issue between Seoul and Washington, in a Korea-U.S. working-level trade meet which will open in Seoul Sept. 12.

For the protection of trademarks, they also agreed to tackle the problems through negotiations between trademark experts from the two countries.

Minister Kim expressed worry over the U.S. move to revive the most retaliatory trade weapon, the Super 301 provision. He emphasized that trade disputes should be dealt with through multilateral channels as set out in the charter of the WTO which will supplant the General Agreement on Tariffs and Trade (GATT) next year.

He also said that the U.S. antidumping and countervailing bills should concord with those in the WTO charter. He warned that the U.S. plan to change regulations on local content in textiles will have an adverse impact on bilateral textile trade.

Minister Kim also met with Commerce Secretary Ronald Brown and a number of other U.S. government officials seeking their support for his bid to become the first director general of the WTO. They all told him that the United States has not taken any official position on the election of the most powerful man in the WTO. They said that the United States will weigh the ability of candidates rather than their regional backgrounds in the election.

Besides Minister Kim Mexico President Carlos Salinas and former Italian Trade minister Renato Ruzziero are competing in the race at present.

Brazilian Finance Minister Rubens Rucupero, who was initially in the race with them, recently announced his withdrawal following his alleged involvement in embezzlement.

Even though Mexican President Salinas is now leading in the race because of his name value and implicit U.S. support, Minister Kim is rapidly emerging as the dark horse.

Minister Kim will fly to Korea Sunday after delivering a speech on the role of East Asia in the world economy in New York Thursday.

### **National Assembly To Open Session on 10 Sep**

SK0909093994 Seoul YONHAP in English 0131 GMT  
9 Sep 94

[Text] Seoul, Sept. 9 (YONHAP)—The 170th regular session of the National Assembly will open for 100 days Saturday [10 September] to deal with the 54.9-trillion-won (68.5 billion U.S. dollars) budget bill for the fiscal 1995 and 174 other bills.

The assembly will hold an opening ceremony Saturday and recommend justices for the Constitutional Court as well as take up a bill on consent for the government's appointment of the president of the Constitutional Court.

Standing committees will later carry out a 20-day parliamentary inspection of the administration lasting from Sept. 28 to Oct. 27.

President Kim Yong-sam and the chiefs of parliamentary negotiating bodies will deliver policy speeches to the National Assembly from Oct. 18, with lawmakers to conduct interpellation on various government policies.

After that, the assembly plans to examine the government budget for next year before opening a plenary session on Nov. 30 to handle the budget and other bills.

The opposition Democratic Party (DP) has already stated it will oppose the black-ink budget bill the government and the ruling Democratic Liberal Party (DLP) plan to submit, citing the possibility that they may use part of the expenditure for regional development to gain an unfair advantage over the opposition in next year's local autonomy elections.

As to the bill on ratifying the establishment of the World Trade Organization (WTO), the DLP plans to take it up during the session while the DP aims to thwart ratification.

Meanwhile, the controversial National Security Law is expected to come under discussion again between the ruling and opposition parties.

### **Government To Launch Law, Order Campaign**

SK0909100894 Seoul YONHAP in English 0703 GMT  
9 Sep 94

[Text] Seoul, Sept. 9 (YONHAP)—The government has decided to launch a nationwide campaign to put law and order on a firmer footing by clamping down on all illegal acts.

The decision was made at a meeting of law and order-related ministers that Prime Minister Yi Yong-tok presided over Friday [9 September].

Kicking off the campaign, a law-abiding promotion council will be formed comprising the prime minister as chairman and related cabinet ministers and civic group representatives as members.

Yi, expressing concern that violations of law and order pose a threat to social peace, called for a concerted government effort to stamp out all illegal and disruptive acts from society.

As part of the campaign, the government will set a special two-month clampdown period ending Oct. 31 which focuses on misdemeanors in parks, streets and other public places, unlicensed construction and other illegal trade practices, and violent offenses that are against the law.

Fines and other penalties for law-breakers will be greatly increased to enhance the effect of punishment, while rules that are incompatible with modern-day realities are to be scrapped or amended.

Attending the meeting were Justice Minister Kim Tu-hui, Education Minister Kim Suk-hui, Labor Minister Nam Chae-hui and Government Administration Minister Hwang Yong-ha, among others.

### **Police Arrest 3 for Promoting Chuche Ideology**

SK0909090394 Seoul THE KOREA HERALD in  
English 9 Sep 94 p 3

[Text] Seoul police yesterday arrested three persons on charges of violating the National Security Law, for allegedly promoting North Korea's "chuche ideology" among high school students in Seoul and urging them to stage street demonstrations against the government's unification policy, a police spokesman said.

Police arrested six other people, including a junior college student, without physical detention on the same charges. In addition, police placed another three persons on the wanted list.

According to the Seoul Metropolitan Police Agency, the three persons arrested include Ko Yong-kuk, 21, leader of a pro-North Korean organization, called "Saem" (Spring), who is suspected of recruiting 38 high school students and teaching pro-Pyongyang ideology since June 1993.

### **Foreign Investment for 1994 Over \$1 Billion**

SK0909101194 Seoul YONHAP in English 0818 GMT  
9 Sep 94

[Text] Seoul, Sept. 9 (YONHAP)—Foreign investment in Korea has surpassed 1 billion U.S. dollars this year, totaling 1,049 million dollars in 431 projects as of Wednesday [7 September], the Finance Ministry said Friday. The figure compares with 1,044 million dollars for all of last year.

Ministry statistics show that new investment totaled 559 million dollars in 276 projects during the cited period, a

152.9-percent increase (338 million dollars) in investment amount and a 50.8-percent rise (93 projects) in number of projects from the same period in 1993.

In terms of investment growth, 490 million dollars was added to 155 existing projects, a 38.4-percent rise (43 projects) in number of projects and a 28.9-percent climb (110 million dollars) in investment amount from a year earlier.

By industry, new investment in manufacturing posted 85 million dollars in 84 projects, a 55.6-percent gain (30 projects) in number of projects and a 63.5-percent rise (33 million dollars) in investment amount. In contrast, new investment in the non-manufacturing sector stood at 474 million dollars in 192 projects, a 48.8-percent increase (63 projects) in number of projects and a 180.5-percent jump (338 million dollars) in the amount, according to the ministry statistics.

Investment amount per project came to 240 million dollars in the non-manufacturing sector compared with 101 million dollars in the manufacturing industry, showing that foreign investors in Korea prefer the service sector to high-tech industry and the heavy and chemical industries.

Foreign investment in such facilities as hotels, in particular, accounted for 15 percent of the total, with 123 million dollars as of the end of July, the ministry said.

Ministry officials attributed the growth in foreign investment in Korea to a simplification of investment formalities. However, they voiced concern over the possibility that the government foreign investment activation policy could proceed in an unproductive direction.

#### **Computer Link To Enhance Sci-Tech Cooperation**

SK0909085794 Seoul THE KOREA HERALD in  
English 9 Sep 94 p 3

[Text] Scientific and technological cooperation between Korea and Europe is likely to further accelerate as an "information highway" linking the two regions became operational yesterday.

The Science and Technology Ministry held a ceremony at the System Engineering Research Institute (SERI) in Taedok Science Town to celebrate the opening of the so-called EKORN (EU-Korea Link of Research Networks).

Science and Technology Minister Kim Si-chung and hundreds of domestic and foreign communications officials attended the ceremony.

EKORN is a computer communication network that connects EUROPAN with KREON, one of Korea's five largest computer networks.

Supported by the European Commission, EUROPAN is an initiative that interconnects existing national research networks in 23 countries in the European Union and provides for a harmonized set of services such as electronic mail, file transfer and super computing service.

It is linked with library databases (DB) in 200 European areas, about 1,000 multimedia servers, free DB in 51 areas, and pay DB in 56 areas.

The EKORN link will enable researchers in Korea and Europe to quickly exchange information and thereby promote the scientific dialogue between the two regions' R&D communities.

Researchers in Korea will be able to freely inspect the massive data stored in the European network.

The project is one of the actions in the framework of the Administrative Arrangement for Cooperation in Science and Technology signed between the European Commission and the Seoul government in November 1992.

The EKORN can transmit data at a speed of 64 Kbps [kilobytes per second], which means about 8,000 alphabet letters can be sent a second.

Noting that the Korea had already been connected with a U.S. research computer network, Minister Kim said at the ceremony that the government also plans to link the KREON with Japan's IMN (Inter-Ministry Net).



## Burma

### Elected Representatives Continue Discussions

BK0809161594 Rangoon Radio Myanmar in Burmese  
1330 GMT 8 Sep 94

[Text] The group discussion of the national convention delegate group representing elected representatives was held at Meeting Hall No.4 at 1000 this morning. U Mahn Tin Aung Than from Union Karen League acted as alternate chairman and gave clarifications concerning the speech and explanations presented at the National Convention Plenary Session held at the President House Compound by Lieutenant General Myo Nyunt, chairman of the National Convention Convening Commission, and U Aung Toe, chairman of the National Convention Convening Work Committee, on 2 September on the procedures for discussions on the prescription of the self-administered division or self-administered region, the legislature, the executive branch, and the judiciary chapters.

Next, political parties and independent elected representatives presented possible dates for presenting papers relating to the prescription of the self-administered division or self-administered region, which will be included in drawing up the constitution, to the panel of chairmen.

U Soe Myint alias Thakin Soe Myint from the National League for Democracy [NLD], an elected representative from South Okkalapa constituency-1, Yangon [Rangoon] Division, proposed that the suggestion paper of elected representatives from the NLD be presented only when it is completed, without any date limitation.

U Sai Tin Win from the Shan Nationalities League for Democracy [SNLD], an elected representative from Namsang Township constituency-1, Southern Shan State, proposed that the suggestion paper of elected representatives from the SNLD be presented at an appropriate date.

U Thein Tun from the National Unity Party [NUP], an elected representative from Ingapu Township constituency-2, Irrawaddy Division, proposed that the suggestion paper of elected representatives from the NUP be presented after 20 September.

U San Hla from the Union Pa-O National Organization [UPNO], an elected representative from Hopong Township constituency, Shan State, proposed that the suggestion paper of elected representatives from the UPNO be presented at the end of September.

U Yankyin Maw from the Shan State Kokang Democratic Party [SSKDP], an elected representative from Kunlong Township constituency, Shan State, proposed that the suggestion paper of elected representatives from the SSKDP be presented on 28 September.

U San Tha Aung from the Mro, or Khami National Solidarity Organization [MKNSO], an elected representative from Kyauktaw Township constituency-2, Arakan

State, proposed that the suggestion paper of elected representatives from the MKNSO be presented after 20 September.

Dr. Hmu Tang, an independent elected representative from Thangtlang Township constituency, Chin State, proposed that he would present his suggestion paper at the end of September.

U Htaung Kho Htan, an independent elected representative from Tamu Township constituency, Sagaing Division, proposed that he would present his suggestion paper after the political parties have presented their papers.

U Tun Kyaw, an independent elected representative from Namhsan Township constituency, Shan State, proposed that he would present his suggestion paper about the end of September.

U Tun Hlaing, an independent elected representative from Bahan Township constituency-1, Yangon Division, proposed that he would present his suggestion paper around the time the political parties presented their papers.

U Hla Maung, an independent elected representative from Kya-in Seikkyi Township constituency-1, Karen State, proposed that he would present his suggestion paper about the end of September.

U Aung Thein, an independent elected representative from Ywangan Township constituency, Shan State, proposed that he would present his suggestion paper after the end of September.

The meeting ended at 1030 after a closing speech by the alternate chairman.

## Brunei, Malaysia & Singapore

### Malaysia

#### Mahathir Cites 'Proof' of Al-Arqam Forming Army

BK0909072594 Kuala Lumpur Voice of Malaysia in English 0600 GMT 9 Sep 94

[Text] Prime Minister Datuk Sri Dr. Mahathir Mohamed says the government has definite proof that the outlawed al-Arqam was planning to form a military force called Badr Army. The evidence was a news report edited and published by a Thai-language newspaper, ISLAMIC GUIDANCE POST. He said this at a news conference in Kuala Lumpur. The prime minister showed reporters the front page of the newspaper which contained the picture of al-Arqam leader Ashaari Muhammad and another picture of the movement's members undergoing a military [words indistinct]. He said it was clear that the movement had the intention to form Badr Army.

The Pusat Islam or the National Islamic Center described al-Arqam's plan as not promoting a wide recognition. Datuk Sri Dr. Mahathir said the government has firm preventive action against the movement to prevent it from becoming a security threat to the country.

### **Deputy Prime Minister Criticizes ICPD Conference**

*BK0809135294 Kuala Lumpur NEW STRAITS TIMES in English 7 Sep 94 p 2*

[Text] Kuala Lumpur, Tues. [6 September]—Deputy Prime Minister Datuk Sri Anwar Ibrahim said today the United Nations International Conference on Population and Development (ICPD) which began in Cairo yesterday had ignored its original objective of championing the plight of women. He said too many controversial issues had been brought into the conference.

The conference did not take into account the religious considerations and cultures of Eastern societies and interpreted the family institution according to Western views and concepts, he said.

"This is a cause for concern," he said when opening the Women in Science and Technology Congress here. He said this, however, should not cause Malaysia to totally reject the "strength and message" from the conference.

"If we are seen to be totally opposed to the conference, it is not true because to me the strength of the conference in Cairo is a meeting to champion women who are in fact ignored," he said.

National Unity and Social Development Minister Datuk Napsiah Omar is leading an eight-member delegation to the nine-day conference.

### **UR Act To Set Up WTO Ratified; Minister Comments**

*BK0809142794 Kuala Lumpur NEW STRAITS TIMES in English 7 Sep 94 p 14*

[Text] Malaysia yesterday ratified the Final Act of the Uruguay Round [UR] to set up the World Trade Organisation (WTO). The instrument of acceptance has been deposited with the director-general of General Agreement on Tariffs and Trade (GATT). International Trade and Industry Minister Datuk Sri Rafidah Aziz said yesterday. She said the early decision to ratify the agreement demonstrated the country's commitment to contribute to the strengthening of the multilateral trading system.

"This is also in line with the decision by the ministerial session in Marrakesh in April that countries should undertake the necessary steps to complete the ratification procedures so that the WTO can come into force on Jan 1, 1995," she said at the investment guarantee agreement signing ceremony between Malaysia and Argentina at her office in Kuala Lumpur.

With the ratification, Malaysia becomes the 24th country to have signed the accord that took more than seven years of negotiations.

As at the end of last month, only 23 other countries had ratified the agreement. They are Bahrain, Bangladesh, Barbados, Belize, Central African Republic, Cuba, Dominican Republic, Gabon, Greece, Guinea Bissau, Guyana, Kuwait, Mali, Mauritania and Mauritius.

Other countries are Mexico, Morocco, Namibia, Qatar, Sri Lanka, Suriname, Uganda and Zambia.

She said seven countries which had ratified the WTO agreement in Marrakesh in April have changed their decision to "subject to ratification status".

They are Bolivia, Costa Rica, El Salvador, Ghana, Guatemala, Malawi, and Nicaragua.

She called on the major trading countries to demonstrate their leadership by taking the necessary steps to ratify the agreement.

### **Court Frees Seven Men Held Under Security Act**

*BK0809042594 Kuala Lumpur Radio Malaysia Network in English 1300 GMT 7 Sep 94*

[Text] The High Court in Pulau Pinang [Penang] has freed seven men who were detained under the Internal Security Act since 1991. They are Badrul Zaman, alias Mohamed Zakaria, 43, the managing director of a travel agency; Chia Lim Kuah, 42, and Koh Yoo Boon, 34, both are travel agents; S. Subrapurmara, 36, an antique dealer; Bakhtiar Mahya, 35, a subcontractor; Nam Andi Daud, 45, the manager of a printing firm; Tengku Rizal Gading, 51, a petition writer.

Judicial Commissioner T. Selvaderan Nathan, who allowed the application for a writ of habeas corpus, freed them on the ground that there were not informed of the reasons for their further detention at the Kemunting Detention Center in Taiping. They were detained under order of the deputy home minister for two years from 12 September 1991. Their detention was extended for two years from 11 September last year. Mr. S. Nathan said that their further detention denied them the right to personal liberty.

### **Joint Police Exercise Launched With Indonesia**

*BK0609113994 Kuala Lumpur Voice of Malaysia in English 0800 GMT 6 Sep 94*

[Text] The 13th Latma Aman Malindo, a joint exercise involving Malaysian and Indonesian marine police personnel, began in Pontian waters between Tanjung Piai and Benut in Johor today. An Internal Security and Public Order director, Datuk Mohamed Ghazali Yaacob, launched the three-day exercise to enhance bilateral cooperation.

The Indonesian side comprised of 60 officers and men led by Major General Riffin Samiruddin, and the joint exercise involved the deployment of helicopters and 10 patrol boats.

Marine Police Commander [word indistinct] Ahmad Hassan and senior Malaysian and Indonesian police officers were present at the launching ceremony held at the Tampoi Marine Police base in Johor Baru.

Last year, the joint exercise was held in Pontianak, Indonesia.

### Singapore

#### Media Report Goh Chok Tong's Banquet for Rao

##### Radio Cites Prime Minister Speech

BK0809144194 Singapore Singapore Broadcasting Corporation in English 1400 GMT 8 Sep 94

[Text] Singapore welcomes India's role in the Asia-Pacific region. Prime Minister Goh Chok Tong says India's development will contribute to the larger historic transformation of the region. He made the point at a dinner host in the honor of visiting Indian prime minister, Mr. Narasimha Rao. Mr. Goh also complimented Mr. Rao on his leadership and bold economic reform. He added that India will emerge as a mega-economy in the next century if it continues to deregulate and encourage foreign investment. Prime Minister Goh also announced that Singapore and India will soon sign an investment guarantee agreement and a memorandum of understanding on defense cooperation. He said Mr. Rao's visit has provided another impetus to broaden and deepen links between the two countries.

##### Delhi Radio on Goh, Rao Speeches

BK0909044094 Delhi All India Radio Network in English 0245 GMT 9 Sep 94

[Text] India and Singapore are to sign an investment guarantee agreement and a memorandum of understanding on defense cooperation. This was disclosed by the Singapore prime minister, Mr. Goh Chok Tong, while speaking at a dinner hosted by him in honor of the visiting Prime Minister Mr. Narasimha Rao in Singapore last night. Our special correspondent, covering the visit, Harish Segon reports that the two prime ministers underlined the desire to deepen and broaden bilateral cooperation in various spheres, especially in the economic field. Mr. Goh said that Singapore companies can invest in India, taking advantage of the availability of vast skilled labor and huge domestic market. He pointed out that India can use Singapore as a gateway to South-east Asia and Asia-Pacific.

Mr. Rao in his address described the visit as a manifestation of India's desire to concretize its wide-ranging relations with Singapore. He said Singapore today stands as a model of growth for developing countries. Our

correspondent adds that business delegations of India and Singapore will sign today 10 agreements worth about \$500 million, covering various projects in different sectors. Mr. Rao returns home this afternoon.

#### Argentina Supports Bid To Host WTO Conference

BK0809131594 Singapore Singapore Broadcasting Corporation in English 1100 GMT 8 Sep 94

[Text] Argentina has expressed its support for Singapore's bid to host the World Trade Organization [WTO] conference. Its minister for economy, Dr. Domingo Cavallo, said this is because it sees Singapore as the symbol of free trade. Dr. Cavallo, who is leading a business delegation here, was speaking to reporters after holding a seminar on business opportunities in Argentina.

#### Editorial Views Importance of Population Control

BK0909033294 Singapore THE STRAITS TIMES in English 8 Sep 94 p 26

[Editorial: "Act Now, Argue Later"]

[Text] It is a crime against humanity, no less, that delegates at the United Nations International Conference on Population and Development in Cairo should waste time arguing over words, while three million babies die every week for lack of food or medicine. But, it must also be stressed that the highly publicised furore concerns less than 1 percent of the conference's 113-page draft Programme of Action to tackle what is undeniably the single most important challenge to global security and stability. Unless brought under control, population growth, which is aggravated by better health and added longevity in many countries, could mean food shortages, increased pressure on resources, and accelerated destruction of the environment. All that must lead to a global crisis.

Whatever the outcome, the Cairo conference, which ends next Tuesday, has already rendered a service by focusing attention on this danger and on the need to rise above cultural differences to evolve an international consensus. The conference has also endorsed more than 90 percent of the draft 20-year strategy to curb runaway growth. It is politically fashionable to question the need to do so and to present the ZPG (zero percent growth) concept as a Western conspiracy to weaken Asian nations that are supposed to look on manpower as their principal asset. All this was put forward in Cairo by aggressive spokesmen for non-governmental organisations who contend that four-fifths of the world's resources is now consumed by the North and should rightly be diverted to the South where four-fifths of the world's population languishes. It has also been suggested that improved agriculture can feed another 3.5 billion mouths.



These are appealing fancies. For even if they are conceded for argument's sake, it will only result in a temporary respite: the problem will rear its head as soon as numbers again outstrip transferred resources and bumper harvests. Naturally, governments that have to bear the brunt of meeting the demand for food, clothing, housing, health care, employment, and education are not carried away by such populist fallacies. Whether in Bangladesh or Indonesia, they have to find solutions on the ground, and their difficult task is not made easier by distracting rhetoric.

Every country represented in Cairo, including Iran and the Vatican, accepts the need for some kind of population control. The dispute is confined to methods and their impact on values. The short answer to the second point is that nothing can place more strain on a family than avoidable economic hardship. As for the first, no one will quarrel with Norwegian Prime Minister Gro Harlem Brundtland's idealistic reasoning that "the girl who receives her diploma will have fewer babies than her sister who does not." In fact, the rights of women figure prominently in the action plan. But, the world will have to wait almost indefinitely for smaller families if every potential mother must first be educated.

While keeping that goal in view, the aim should be to bring down the birth rate through conventional methods of contraception that are safe, reliable, and easily available. Such a programme would also reduce the number of unwanted pregnancies, and, therefore, abortions. The UN can help by making it possible for countries to work to a coordinated plan and by providing advice, information, expert assistance, equipment and, where necessary, funds for particular operations. But, the UN cannot take over the task. That remains a national responsibility. Each government must find the political will and the social courage to convince its people that their future happiness calls for smaller families and decide on the methods that are best suited to its particular culture. The first step is to cut out the talking and get down to a serious appraisal of the job at hand.

#### **Government Divided Over Becoming 'Media Hub'**

*MS0609133494 London FINANCIAL TIMES in English 6 Sep 94 p 4*

[Report by Kieran Cooke incorporating interviews with Mr Goh Chok Tong, Singapore Prime Minister, and Mr George Yeo, Singapore Information Minister: "Singapore Caught in Media Dilemma"]

[Text] Out-of-work veterans of Washington's ill-fated "Star Wars" programme should look no further. Singapore needs you.

Singapore wants to turn itself into a global media hub. The problem is that Singapore's leaders remain deeply suspicious of outside influences.

"We have to stay special and unique," said Mr George Yeo, Singapore's minister for information and the arts,

recently. "To achieve this, we need a kind of semi-permeable membrane to preserve our own bubble in Singapore."

While Singapore does not plan literally to wrap itself in a cocoon, Mr Yeo's remarks are very much a reflection of the dilemma the Government feels it is facing.

On one hand, Singapore's planners see the economic necessity of being plugged into the global information network. Singapore has the technology and expertise to be the information entrepot of the dynamic south-east Asia region. Its 2.7 million people are already among the world's most computer-proficient.

"The future belongs to countries whose people make the most productive use of information, knowledge and technology," says Mr Goh Chok Tong, Singapore's prime minister. "These are now the key factors for economic success, not natural resources."

But, on the other hand, the government is deeply concerned about losing control over information flows within Singapore. Satellite ownership is not allowed for the general public. The local media faithfully reflect government policy. The importation of foreign newspapers and magazines, ranging from the FAR EASTERN ECONOMIC REVIEW to COSMOPOLITAN, is carefully controlled. Even newspapers from neighbouring Malaysia are not allowed to circulate in Singapore.

Singapore's leaders have shown no hesitation in taking court action, usually involving substantial damage suits against foreign media which, they feel, have impugned their integrity. But as technology changes, censorship becomes ever more difficult. Services such as Internet, the global information network, can be used not only to access research materials. They can also be used to transit newspapers and pornography.

The government admits that where technology is concerned it is fighting a losing battle. "Censorship is becoming quite impossible to enforce at the individual level," says Mr Yeo. "Once digitised, an objectionable book, magazine or video can be sent through the telecommunications network.

"We can inspect magazines, books, tapes and discs but we cannot possibly screen every bit or byte that comes down the information highway."

Instead, says Mr Yeo, Singapore needs what he calls an immune system capable of fighting off infection from within.

A code of what are seen as Asian values, emphasising the family and the primary role of the male, discipline and above all, the needs of society above those of the individual, is the pill the government wants Singaporeans dutifully to swallow to counteract foreign viruses.

"Asian values" was the main theme of a national day address at the end of last month by Prime Minister Goh

Chok Tong. The maintenance of such values is seen as vital for Singapore's continued economic success. "You may think decline is unimaginable," said Mr Goh. "But societies can go wrong very quickly."

While the Singapore government remains deeply sensitive to outside criticism, Mr Goh had no hesitation in painting a bleak picture for his audience of what he sees as moral decay and lawlessness in the west, most notably in the US and Britain. He warned Singaporeans not to fall prey to corrosive outside influences, such as welfareism, divorce, or children being allowed to call their fathers by their first names. "We must not unthinkingly drift into attitudes and manners which undermine the traditional politeness and deference Asian children have for their parents and elders."

Mr Goh admitted that drug addiction and juvenile delinquency in Singapore had risen. So had divorce, and there were single-parent families. Unmarried motherhood could not be considered a respectable part of Singapore society, Mr Goh declared. In future, unmarried mothers would not be allowed to buy government flats direct but only on the more expensive resale market.

There are those who wonder what all the fuss is about. Singapore shows few signs of descending into anarchy and moral mayhem. Its economy grew 9.9 per cent last year and looks on course for similar growth this year. Singaporeans enjoy per capita incomes higher than in New Zealand and only slightly behind Australia and Britain. More than half the population can afford to travel abroad each year where they benefit from the strength of the Singapore dollar. "In Perth, Singaporeans are called 'birds'," said Mr Goh. "When they are in the shops, they go: 'Cheap cheap!'"

Analysts say that political pressures are part of the reason for Mr Goh's tough stand. On one side, as prime minister for the last four years, he has to contend with the formidable presence of Mr Lee Kuan Yew, patriarch of modern Singapore. On the other side is Mr Lee's son, Mr Lee Hsien Loong, who has made no secret of his willingness to serve as prime minister.

When he came to office, the mild-mannered Mr Goh promised a more open, consultative form of government. But that seems to have given way to a more hard-headed approach. Mr Goh needs to show his cabinet colleagues that he has a firm grip, particularly with a general election likely to be called in the first half of next year.

Mr Goh's comments could win votes among the more traditionally-minded, Chinese-educated population.

But some Singaporeans find the government's attitude hard to stomach. "It's the old story in Singapore," said a local academic. "The government still has a siege mentality. It wants to open up to media and other outside influences insofar as they will benefit the economy."

"But it still wants to control everything, from what we see at the theatre to what we read. We are the children, it is the father figure. Talking about Asian values is another way of saying: 'We know what is good for you. Obey us!'"

## Cambodia

### Sirivut Writes to SRV's Cam on Immigration Law

BK0809140394 Phnom Penh National Radio of Cambodia Network in Cambodian 1100 GMT 8 Sep 94

[Text] Prince Kromkhun Norodom Sirivut, deputy prime minister and minister of foreign affairs and international cooperation, on 6 September wrote to His Excellency Nguyen Manh Cam, the foreign minister of the SRV, giving an explanation of Cambodia's immigration law.

The contents of the message are as follows:

Your Excellency:

I would like to thank you for your letter dated 24 August 1994. In the letter, you expressed your concern over the immigration law that the National Assembly of Cambodia passed recently, because you conceive that the law will adversely affect the Vietnamese nationals living in Cambodia.

As you are already aware, after the holding in Cambodia of the free, democratic elections sponsored by UNTAC [UN Transitional Authority in Cambodia] in May 1993, a democratic constitution was promulgated and a national assembly was established to allow Cambodia to pursue its goals legally. The democratically elected National Assembly has issued important laws with a view to guiding our Cambodia's future. It has therefore been necessary to include an immigration law such as other countries worldwide possess.

I would like to reaffirm to Your Excellency that the immigration law, like the other laws, was scrutinized by lawyers from various ministries involved before being presented to the Council of Ministers for meticulous examination, and then to the National Assembly. Before adoption by the National Assembly, the law was given a comprehensive review and heatedly debated. Our legislators are satisfied with the law because it is similar to those of other countries and also conforms to international law.

It is most certain that the immigration law is based only on a principle covering general immigration into Cambodia. The law pertains to the control of all foreigners living as immigrants or nonimmigrants in the Kingdom of Cambodia. Before the law can be enforced, it is necessary that additional detailed laws be codified and approved by the Council of Ministers of the Royal Government of Cambodia [RGC].

In case Vietnam intends to join in pondering over (?diverse orders) for the enforcement of the immigration

law, the RGC would welcome the Vietnamese side's initiative in holding a meeting of a working group of experts to discuss the mutual concern as specified in Point 10 of the joint Vietnam-Cambodia communique dated 3 April 1994.

I am firmly convinced that mutually acceptable solutions to problems such as the immigration law will offer an important contribution to establishing durable peaceful relations between the two countries, Vietnam and Cambodia.

As neighbors, this issue is important for our two countries.

I am looking forward to seeing the cooperation on this issue and other matters which constitute the common concern of our two countries.

### SRV 'Deceit' in Plea for Settlers Exposed

*BK0909024294 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 8 Sep 94*

[Unattributed commentary: "Expose the Deceitful Crocodile Tears of the Communist Vietnamese Request in Asking the United Nations to Help the Vietnamese in Cambodia"]

[Text] Recently, communist Vietnamese Foreign Minister Nguyen Manh Cam wrote a letter to the UN secretary general calling on the UN to help keep the Vietnamese from being bullied by Cambodia in the implementation of the two-headed government's immigration law.

Hey you Vietnamese! Your four million people and your administrators in Cambodia are swallowing half of Cambodia. In the past 15 years they have caused untold misery to the Cambodian people, who have been starved and separated from their families and hometowns. Millions of Cambodians have become refugees in their own country.

What are you crying for? Should the world have pity for the communist Vietnamese who are annexing Cambodia or should they help the Cambodians who are being swallowed by the communist Vietnamese?

Do you not remember when you drove hundreds of thousands of ethnic Chinese and Vietnamese of Chinese origin to the seas, you [words indistinct].

Do not pretend that you do not know the so-called immigration law belongs to the two-headed elements, who are your puppets. You are the one who advised them to issue this law and you are the one implementing it. You have not even harmed your fellow Vietnamese a little. But you [words indistinct] because the Cambodian people are not misled by this meaningless law written on tissue paper. The Cambodian people will continue to struggle resolutely until the question of four million Vietnamese is settled.

Therefore, in this letter to the United Nations, you (are begging for aid from) the villainous alliance.

The Cambodian people know the true nature of these villainous allies and will never let them butt in to help the Vietnamese as the UNTAC [UN Transitional Authority in Cambodia] did by issuing a law to allow the Vietnamese to stay in Cambodia and enjoy the right to vote.

The Cambodian people have set their clear fighting targets. They are:

1. To confiscate the Cambodian identity cards from the Vietnamese in Cambodia.
2. To put the Vietnamese in camps.
3. To repatriate the Vietnamese to Vietnam.

### NADK Gives Citation for Phnum Voar Success

*BK0809161294 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 8 Sep 94*

["Citation" of the National Army of Democratic Kampuchea General Command issued on 8 September; date not given—read by announcer]

[Text] I. Since 8 August, at the order of the communist Vietnamese and the alliance, the two-headed elements have been mobilizing 2,900 of their troops from the 3d Military Region of Chaom Chau, Kompong Speu, the provincial forces of Kampot and Takeo, the district forces of all the districts in Kampot and Takeo Provinces, the interventionist forces of the Phnom Penh puppet General Staff, and five regiments from the provinces of Kandal, Battambang, Preah Vihear, Stung Treng, and Kratie together with the support of several tanks and heavy artillery pieces to conduct an operation to surround, attack, crush, and destroy the people, the National Army of Democratic Kampuchea [NADK], and the guerrillas in Phnum Voar area and its vicinity.

II. The NADK, guerrillas, and people in the Phnum Voar area and its vicinity on the Kampot battlefield have united as a single body to wage a tenacious struggle using guerrilla and people's war tactics to smash one phase of this insane operation after another since 8 August until it was completely crushed on 7 September, during a period of one full month.

1. On 8 August we smashed two prongs of the invading forces, one sallying out west of Kampot District and the other from east of Kompong Trach District. In two days our NADK, guerrillas, and people beat the invading forces, compelling hundreds of their troops to flee in all directions. We killed five enemy troops on the spot, wounded nine, and forced some others to defect to our side.



2. On 11 August we smashed two other prongs of the invading forces sallying out of Krang Leav and Kompong Trach. We killed nine enemy troops on the spot and wounded 10.

3. On 13 August our NADK, guerrillas, and people ambushed the invading forces emerging out of Krang Leav monastery. We killed six enemy troops on the spot. One hundred and fifty troops of the invading forces fled to the monastery while some others defected to our side.

4. On 14 August we smashed the invading forces at Krang Leav and Rong Veng, killing or wounding 15.

5. On 25 and 26 August we smashed three prongs of the invading forces: the first heading from Rong Veng toward Sre Chea dam, the second from Rong Veng toward Trapeang Roka, and the third from Dang Tong toward Kaoh Ta Kev dam. Our NADK, guerrillas, and people killed six enemy troops on the spot, wounded seven, and captured another.

6. On 29 August the invading forces attacked us in two prongs. The first prong coming out of Thnal Bat toward Prey Veng dam and the second out of Prey Krang toward Trapeang Russei. We ambushed them during one full day, killing six on the spot and wounding four. The survivors fled in disorder.

7. On 31 August the enemy mustered troops to attack us in three prongs from Rong Veng, Prey Prama, and Dang Tong respectively. After a full day of fighting, we beat back these three prongs of the invading forces, killing five enemy troops on the spot and wounding seven.

8. On 1, 2, and 3 September our NADK, guerrillas, and people launched commando attacks to crush the invading forces at Sre Chea monastery, Krang Leav monastery, and Damnak Kantuot and hit them in the rear at Kompong Trach market, killing 11 enemy troops, wounding nine, and captured three.

9. On 3 September the forces of the two-headed government began retreating and deserting in droves. Seventy-eight interventionist troops of the puppet General Staff from Battambang, 140 troops from Phnum Penh and the Tuk Meas and Ta Ni Districts, and 35 troops from the 4th and 5th Battalions of the Kampot provincial forces deserted.

10. On 4 September the invading forces were down to their last man as they mustered the remainder of their troops to attack us again in two prongs, the first sallying out of Krang Leav monastery toward Prey Veng dam and the second out of Phnum L'ang toward Phnum Toch, with fire support from tanks and dozens of multiple rocket batteries, heavy artillery pieces, and mobile cannon. Our NADK, guerrillas, and people jointly waged a heroic resistance for a whole day and finally crushed and smashed the invading forces. We killed 10 enemy troops on the spot, wounded 17, and captured one.

11. On the night of 5 September and on 6 and 7 September our NADK, guerrillas, and people began sweeping away and crushing the invading forces of the two-headed government in the Phnum Voar area and its vicinity.

On the first main front:

1. We swept and crushed the invading forces along Route 16 and the railroad stretch between the border of Tuk Meas District and the border of Kampot District and occupied and swept through dozens of village and commune administrations, forcing dozens of administrators and policemen to flee or defect. Hundreds of them ran in all directions.

2. We swept away company, platoon, battalion, and regimental positions of the invading forces along Route 36, driving them out of Krang Leav, Sre Chea, Dang Tong, and Rong Veng; and we scattered and occupied the new Dang Tong district seat and some communes and villages. We killed or wounded dozens of invading troops and captured dozens of village and commune administrators, policemen, and soldiers. Dozens of them knelt down and begged for mercy from the people.

On the second main front, we swept through and occupied more than 10 km of National Route 3 from (Phnum Thvea) and Phnum L'ang beyond Chakkrei Ting to a point just 3 km away from Kampot town. Our NADK, guerrillas, and people swept through and occupied dozens of company, platoon, battalion, and regimental positions of the invading forces and forced hundreds of two-headed policemen and administrators in the communes and villages to flee in all directions while dozens of others surrendered to our people and NADK.

III. What made it possible for our NADK, guerrillas, and people of the Phnum Voar area, Kampot battlefield, to smash the large-scale operation of the two-headed elements, the communist Vietnamese, and the alliance here and to win one battle after another?

There are two main reasons:

First: Our army and people have been tested in the flames of war for dozens of years. Our NADK and people have operated closely as a single body and the people have provided the bulk of the force in the locality. Ten NADK troops operate along 500 men of the people, fighting shoulder to shoulder, sharing life and death, blood and soul. How can this be achieved? It is because the communist Vietnamese aggressors, their puppets, and later on the alliance and two-headed elements have persecuted the people in a most cruel manner. They have said that they could not befriend the people in this area. This was true during the times of the communist Vietnamese and the alliance in the UNTAC [UN Transitional Authority in Cambodia, and it remains true now in the time of the two-headed elements. For this reason, they have attacked this area again and again in the past 15 years. It has therefore become a furnace in which the

will of our people, the NADK, and the guerrillas has been tempered and rendered as hard as rock. Why? This is because our people, NADK, and guerrillas here do not consent to be murdered by the old or the new enemy without fighting back. Therefore, their hearts have always been seething and resolute; consequently, their struggle has always been seething and resolute. They use everything to fight with and they fight in all forms and fields. They use firearms, hatchets, kitchen knives, hoes, and shovels as weapons to fight with. They also use punji stakes, cross-bows, poison arrows, and punji pits against the invading forces. In particular, the people snipe at and kill the enemy one at a time here and there every day and every night. The people are like birds attacking the enemy without warning from all directions. The people are like chickens scratching, impaling, and pecking at the enemy, causing them painful injuries. This is the iron bulwark, the steel force of a guerrilla and people's warfare.

Second: The important thing is that the cadres tempered and built up in the relentless fighting movement have stayed close to the people as a single body sharing the same blood and heart, dividing all the interests with the people, and agreeing with them to do everything together, never hurting the people even with a single word, respecting and loving the people from the bottom of their hearts, enjoying the same lifestyle and material privileges as the people, and helping one another in caring for everything from houses to cattle—which were ransacked and stolen first by the Vietnamese and later on by UNTAC and the two-headed government. They are helping one other through mutual assistance activities. This is true not only for those in the Phnum Voar area, but it is also true for the cadres and people in Kampot, Kompong Trach, Tuk Meas, and other districts, communes, and villages. It is thanks to the high ethics of the cadres, who are genuinely patriotic and people-loving cadres, striving to work with the people and to learn and educate themselves in the movements of the nation, the people, the ranks, and the inner circles. After learning, they apply what they have learned for the benefit of the people and become the cadres of the people, knowing how to organize and manage both the forces of the army and the people, to deal with economic problems, deal with and eliminate pacification agents, and deal with and provide leadership in the guerrilla and people's war by using locally available weapons and relying mainly on the force of the people.

#### IV. The General Command of the NADK:

1. Highly commends the heroic people, heroic NADK, and heroic guerrillas of the Phnum Voar area and its vicinity.
2. Considers the Phnum Voar area and its vicinity as an historic example for the national salvation struggle. The invaluable experience is that the heroic people, the heroic NADK, and the heroic guerrillas in the Phnum Voar area and its vicinity—who have correctly implemented the guerrilla and people's war tactics in the spirit

of self-reliance, relying on one's own force, on the force of one's own people, on the local economic resources and produce; and who have firmly grasped and always correctly implemented the ethics upheld by the cadres and NADK for the past dozen years—have rendered all the tricks and designs of the Vietnamese, UNTAC, and the alliance ineffective both in the past and at present.

V. This experience clearly shows that a guerrilla and people's war waged by the people themselves with a correct line and the assistance of correctly trained and highly qualified leading cadres can be waged anywhere following the example of this Phnum Voar area. So, there will be Phnum Voar 2, Phnum Voar 3, and so on. The enemy will never be able to destroy the Cambodian nation and people. Our Cambodian race will last forever.

[Dated] 8 September 1994

[Signed] NADK General Command

#### Khmer Rouge Army Praises People's War Efforts

BK0909064794 (Clandestine) Radio of the Provisional Government of National Union and National Salvation of Cambodia in Cambodian 1200 GMT 8 Sep 94

["Citation" of the National Army of Democratic Kampuchea High Command for Efforts To Wage Guerrilla War, dated 8 September—read by announcer]

[Text] I. A guerrilla and people's war has begun to spread in the last more than a month. This war is being waged seriously and is yielding results against old and new enemies, who are continuing to kill the Cambodian nation, people, and race. It has also bogged them down.

II. In a number of places, for example on the Siem Reap battlefield, particularly eastern Siem Reap, and on the Preah Vihear battlefield, in particular eastern Preah Vihear, the guerrilla and people's war has been understood and is spreading among cadres, the army, and the people.

III. We have achieved the following successes from the guerrilla and people's war:

1. We have destroyed large and small strategic roads of the old and new enemies;
2. We have cut down hundreds of large and small trees, hundreds and thousands of cubic meters of trees, and used them to block stretches of roads to prevent the enemies from deploying their forces, equipment, and infantry.
3. We have set up and planted booby traps, pits of bamboo stakes, and bamboo spikes along large and small trails where the invading forces operate, and around liberated villages, semi-liberated villages, and zones temporarily controlled by the enemies, to prevent the enemies from moving out to launch operations at will. We have put pressure on the enemies through military and political activities. We have limited the enemy's ability to move around and put pressure on their economic

activities. We are encircling the enemies to keep them in one place. This enables the guerrillas, people, and the National Army of Democratic Kampuchea [NADK] to shoot and snipe at them, killing two or three at a time and depleting the enemy forces daily. This also torments the enemies and traps them within the networks of booby traps and pits of bamboo spikes. The enemies are wounded by stakes and hit by bullets. They are like rats trapped in a cage with their legs, heads, and tails pierced by bamboo stakes. They are making noise every day.

One important lesson to note in attacking an enemy state authority or position is that the network of people's weapons should be set up beforehand. That is:

1. Cut large and small roads and set booby traps and pits of bamboo stakes around or in large and small passageways.

This is to interrupt enemy activities.

2. Snipe at the enemies day and night.

3. Inspire the people to implement the policy of cutting off the enemy's economic links and to provide enemy military information to the NADK and join the NADK to attack the enemies.

Therefore, before cutting off the position of an enemy or state authority, between 70 and 80 percent of these conditions should be met. The attack is only 20-30 percent of the operation. After the attack, more punji and poisonous stakes should be planted. Mines, including improvised ones, should be laid to provide further defense for the liberated village or position. This defense should be 90-100 percent effective. We should join with the local militia and people to ambush those searching for mines and removing punji stakes. Just fire a few bullets at them and they would flee. Those wounded in the attack would flee and trip into the poisonous stakes, and cry and agonize for a few days before they die. This cry would alert and horrify everyone, soldiers, villagers, and soldiers' wives.

IV. Cadres, NADK combatants, and the entire people in the above places, please accept the high and wholehearted praise of the NADK high command. May this fine example be a model for an even better implementation of the guerrilla and people's war in our name, as the ones who love the nation and the people and as fighters for the survival of the Cambodian nation, people, and race.

[Dated] 8 September 1994

[Signed] The NADK High Command

#### **Khmer Rouge Said To Attack North of Phnom Penh**

BK0809075494 Phnom Penh REAKSMEI  
KAMPUCHEA in Cambodian 8 Sep 94 pp 1, 11

[Summary] A group of Khmer Rouge soldiers attacked Prek Kdam village in Kaoh Chen commune, Ponhea Loe

District in Kandal Province, at 0010 on 6 September. Four Vietnamese and two Cambodians were killed on the spot; five persons were also wounded.

According to reports from the local people, the Khmer Rouge soldiers came by boats from the north and opened fire with machine guns on Vietnamese boats moored along the river bank and on people's houses. According to an eyewitness, the Khmer Rouge soldiers were very cruel. They opened fire and shouted "Attack the Vietnamese, attack the Vietnamese."

According to Penh Soeun, chief of Ponhea Loe District, "the Khmer Rouge soldiers who attacked Prek Kdam village in Kaoh Chen commune came from Division 785 under the command of Sim, Nai, and Prok; they are over 60 strong. They came in 22 boats and were divided into six prongs." Eight tape recorders, 11 television sets, some gold, and money were taken away. It was thought that 11 boats led by Sim came by the Tonle Sap River, while another 11 led by Prok and Nai came along Boeng Romoas and along the flooded Route 6.

The Ponhea Loe district chief said that "We were aware of the situation but stationed troops along land routes until the border of Kandal and Kompong Cham Provinces, not expecting the Khmer Rouge to come along waterways. During the attack on the village, our forces could not intervene for fear of affecting the lives and property of the people. However, when they retreated, the Khmer Rouge clashed with some of our troops. We had to withdraw, because our forces were few in number. The district chief also quoted reports that on 2 and 3 September a group of about 30 Khmer Rouge soldiers were eating and drinking in Batheay District. The district command concluded that the Khmer Rouge forces were preparing to attack a locality and therefore made preparations concentrating on land routes. It has been observed that the Khmer Rouge forces usually attack economic zones.

The local people added that this was the fourth time that the Khmer Rouge attacked Prek Kdam village. It should be recalled that on 19 April, the Khmer Rouge attacked the village; no one was killed, a great deal of property was taken away.

#### **Government Urged To Give KR Namelist to Thailand**

BK0709101994 Phnom Penh REAKSMEI  
KAMPUCHEA in Cambodian 7 Sep 94 pp 1, 2

[Editorial by Kuntheavi: "Please Don't Pay Lip Service"]

[Text] The repeated reaffirmation by the Thai foreign minister to the leaders of the Kingdom of Cambodia that the Khmer Rouge [KR] members, from top to bottom, will not be allowed to travel across Thailand if Cambodia supplies Thailand with their names constitutes a statement worthy of enthusiastic welcome. Nevertheless,



the assertion still cannot completely satisfy the Cambodian people. In the past, Thailand always practiced toward Cambodia a policy of having your cake and eating it too, and always swiftly throwing balls back into Cambodia's court in attempts to shirk its responsibilities.

In the past, the Thais lent their support to the Khmer Rouge, reasoning that the group still had its representative at its office in Phnom Penh; whenever the office was closed, the Thais would cut their ties with it. On the contrary, after the KR office was shut completely at the end of June, the Thais remained indifferent to Cambodia's concerns. Since the Kingdom of Cambodia's National Assembly outlawed the Khmer Rouge on 7 July 1994, Thailand has shown its position to be increasingly steadfast, especially with [Thai Foreign Minister] Prasong Sunsiri's questionable reaction to some articles of the bill [outlawing the Khmer Rouge] that affect economic interests of the Khmer Rouge. The Thai Government has declared that it will promptly implement, within the framework of the bill outlawing the Khmer Rouge, what the Cambodian Government has proposed.

Now the plan of the Royal Government of Cambodia [RGC] is to forward a namelist of KR leaders to Thailand [words indistinct]. [Words indistinct] on the Cambodian people also represents pressure on the plan.

Cambodian citizens may use only passports issued by the RGC, while all other countries, including Thailand, may issue visas only for this kind of passport. Anyway, when will the new passport be put into use? When will the RGC finalize the namelist and hand it to the Thai side?

When Thailand is ready to join hands to make the bill outlawing the Khmer Rouge effective, the RGC should take advantage of this opportunity to achieve its ultimate goal. Cooperation from Thailand, sincere or not, is the country's own business. Somehow, Cambodia should act promptly. Under no circumstances, should it let its strategic goal become a political game of Thailand since the latter's sincerity or insincerity will only be judged by the international community.

#### **Illegal Chinese Aliens Reportedly Arrested**

*BK0709055594 Phnom Penh REAKSMEI  
KAMPUCHEA in Cambodian 7 Sep 94 pp 1, 5*

[Excerpt] Fourteen mainland Chinese were apprehended by the military police on National Route 1 at the border between Meanchey [in Phnom Penh City] and Kien Svay District [in Kandal Province] on the afternoon of 3 September for entering Cambodia without visas.

According to a police source, police at the Bavet border checkpoint [in Svay Rieng Province] issued a handwritten authorization for the Chinese to travel to apply for visas in Phnom Penh. After the arrest, the 14 Chinese were sent to the Alien Control Department in Phnom

Penh. They are now being detained in a Phnom Penh hotel under the strict supervision of the Police Department.

Luo Ramin, director of the Interior Ministry's Alien Control Department, affirmed that legally, the only checkpoint where visas can be issued is Pochentong Airport. In his opinion, the Chinese should be deported.

It should be recalled that in the past, many mainland Chinese have entered Cambodia illegally through Poipet [in Banteay Meanchey Province], Stung Treng Province, and Bavet. After that, they pay for a Cambodian identity card, then obtain a Cambodian passport and exit visa to travel to a third country, specifically the United States, Canada, or a number of European countries.

The police have often caught and expelled a large number of them. Apart from the illegal Chinese aliens, there are also a number of Pakistanis conducting dishonest business in the country. [passage omitted]

#### **Finance Ministry, World Bank Discuss Loans**

*BK0709075594 Phnom Penh AKP in French 0400 GMT  
7 Sep 94*

[Text] Phnom Penh 7 Sep (AKP)—Mr. Cham Prasit, state secretary of the Ministry of Economy and Finance, had a working session in Phnom Penh on Saturday, 3 September, with a World Bank delegation to discuss the World Bank's aid for the rehabilitation and development of Cambodia for 1994-95.

In 1994, the World Bank accorded a loan of U.S.\$63 million to Cambodia to help support the national budget and for projects in sectors such as agriculture, education, industry, public works and transport, water works, and healthcare.

The two sides have agreed to modify some of the projects to make possible the implementation of phase 2, which will be examined at the next meeting in mid-October.

The World Bank has lent Cambodia U.S. \$[figure indistinct] million to pay foreign specialists and technicians, to support the national budget, and finance projects in 1995.

#### **Administrative Crisis To Bring 'Instability'**

*BK0909092394 Phnom Penh REAKSMEI  
KAMPUCHEA in Cambodian 9 Sep 94 pp 1, 2*

[From the "Today's Comment" column: "The Cambodian Administration: an Unresolved Problem"]

[Text] Two conflicting situations are now apparent in Cambodia. First, the situation of Cambodian civil servants and, second, the situation of personnel in private companies and in nongovernmental organizations.

In general, Cambodian civil servants receive much less pay from the Royal Government compared with that

received by the personnel in private companies. However, only a very small number of civil servants have resigned from administrative jobs in favor of private ones or have become self-employed. It has to be acknowledged that in a market economy situation, there is no difference between civil servants and ordinary citizens. Traders sell their goods to civil servants and citizens at the same price, except to a small number of Cambodian officials who have the advantage of making trading easy for businessmen.

At present there are 170,000 Cambodian civil servants; that is, for 50 people there is one civil servant. It is a massive number by world standards. In the current situation the Royal Government is facing an "administrative crisis" and an "inflation of civil servants," which are two unresolved problems. Apart from giving low pay to its officials, the government has been trying to find various ways to solve the crisis. However, to this day no effective measure has been found.

The fact is the majority of Cambodian civil servants have no work to do, unlike employees in private companies. Corruption in government units is an important factor destroying the work atmosphere. Sometime this has rendered the work of the government ineffective and undermined its role as a public institution.

A large number of Cambodian civil servants, among the massive number of officials, are intently eyeing the free market. They want to have the ability to buy fine goods that are the products of the free market. However, their salaries have prevented them from doing so.

On the other hand, Cambodian civil servants whom ordinary citizens refer to as "the big ones" or "the ones with lucrative jobs" do have the ability to achieve their goal of buying these fine goods. Sometime these people squander the easily earned money.

This contrasting situation among civil servants has created a "very cold war in the administration," as well as jealousy, apathy, and condescension, which in the end will lead to a division between "rich officials" and "poor officials."

How can this situation be resolved? This is a great test. Whatever the case, the massive number of Cambodian civil servants comprises those who have "actively served" and those who have served "not so actively" the interests of the Cambodian people. This requires that the Royal Government deal appropriately with the two cases. Looking lightly at the administrative crisis or delaying a solution to the Cambodian administrative problem will bring about instability in various social sectors, particularly in the unpredictable political field.

#### **New Committee To Fine-Tune Import-Export Rules**

BK0809094194 Phnom Penh AKP in French 0415 GMT 8 Sep 94

[Text] Phnom Penh 8 Sep (AKP)—"A committee to put a finishing touch on the procedures and formalities for

importing and exporting merchandise at the ports of Phnom Penh and Kompong Som and Pochentong Airport will be created as soon as possible," announced a communique issued at the end of an interministerial meeting held in Phnom Penh on 6 September under the chairmanship of first Prime Minister Prince Norodom Ranariddh.

"The committee will be made up of ministers or state secretaries of the ministries of economy and finance, public works and transport, trade, industry, national defense, and interior as well as members of the Cambodian Development Council," the government spokesman pointed out.

"During the meeting, some measures aimed at ensuring security on the various national routes in the kingdom were adopted," the spokesman stressed. The participants, moreover, approved the draft agreement between Cambodia and the United States on trade cooperation and the protection of order rights, and that between Cambodia and the Russian Federation on scientific-cultural cooperation.

#### **Officials View Logging Export Operation**

BK0709033794 Phnom Penh National Radio of Cambodia Network in Cambodian 2300 GMT 6 Sep 94

[Text] His Excellency [H.E.] General Nhim Vanda, special envoy of the prime ministers of the Royal Government of Cambodia, and H.E. Tau Senghuo, state secretary for agriculture, forestry, wildlife, and fisheries and co-chairman of the commission on control of logging and sawing throughout the country, recently made an inspection tour of Kratie Province. The delegation paid a solicitous visit to the officials, armed unit, and national police force in the province.

H.E. Nhim Vanda and H.E. Tau Senghuo took turns talking about the latest situation and development in the Kingdom of Cambodia under the leadership of the two samdech prime ministers. They praised the province for its recent progress and achievements and urged provincial officials and forces to enhance further their attention to ensuring security for the people.

During their working visit to Kratie Province, accompanied by the provincial governor and his deputy, H.E. Nhim Vanda and H.E. Tau Senghuo also inspected logs in Prek Prasap District that could not be exported in a timely manner.

It is worth noting that the logs, whose volume amounts to 50,000 cubic meters, is under the management of the Indonesian [name indistinct] company. Of the 50,000 cubic meters, only 9,000 are properly tagged and authorized for export.

H.E. Nhim Vanda and H.E. Tau Senghuo will request an urgent decision from the two prime ministers to speed up the export of the authorized logs. As for the 41,000 cubic meters of logs that have not yet been authorized and on

which tax has not yet been paid, they will be seized by the commission on control of logging and sawing.

### Indonesia

#### Suharto Chairs Cabinet Meeting on Economic Affairs

BK0809053494 Jakarta ANTARA in Indonesian 1924 GMT 7 Sep 94

[All figures as received]

[Text] Jakarta, 7 September (ANTARA)—President Suharto has instructed officials to conduct market operations because the August inflation rate, which was 0.89 percent, remained high and the government did not expect the overall rate to exceed 10 percent until the end of the year.

"The president said that the August inflation rate remained high compared to July's 1.37 percent," Information Minister Harmoko said when briefing reporters on the results of a limited cabinet meeting on economy, finance, development supervision, industry, and trade at Bina Graha [Presidential Office] on Wednesday.

The meeting, which was also attended by Vice President Try Sutrisno, attributed the inflation rate to price hikes in housing, miscellaneous goods and services, and clothing, which were recorded at 0.60 percent, 0.82 percent, and 0.02 percent respectively.

Harmoko said that the inflation rate was 6.85 percent during the January-August 1994 period and 3.14 percent during the April-August period.

During the meeting, which lasted about two hours, the head of state also touched on the possibility of importing rice to make up for a shortage in the government-controlled stock.

"If the drought continues and leads to lower rice production, this will necessitate rice imports," Harmoko quoted the president as saying.

Accordingly, the head of state instructed relevant officials to conduct an accurate assessment on rice production, the effect of the drought on the production, and possible rice imports.

Regarding the balance of trade, Information Minister Harmoko said that exports and imports reached U.S. \$3.555 billion and U.S. \$2.723 billion respectively in June. Thus, there was a surplus of U.S. \$831 million.

Oil and gas exports amounted to U.S. \$833 million, while the exports of various nonoil and nongas commodities amounted to U.S. \$2.7 billion. Meanwhile, oil and gas imports were U.S. \$182 million and the imports of various non-oil and non-gas commodities U.S. \$2.541 billion.

According to Harmoko, exports reached U.S. \$18 billion, while imports amounted to U.S. \$14.6 billion during the January-June period. Thus, Indonesia enjoyed a surplus of U.S. \$3.7 billion in its trade with various trade partners.

Harmoko disclosed that the money in circulation amounts to 40.265 trillion rupiah.

The unbalanced cement production and consumption was also discussed during the meeting. Thus, the government will import 125,500 metric tons of cement during the second half of the year. Originally, the government planned to import only 50,000 metric tons of cement.

#### Commander Reaffirms Amnesty for E. Timor Rebels

BK0609105794 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 6 Sep 94

[Text] President Suharto's amnesty for East Timor terrorists who surrender, repent, and promise not to create trouble anymore remains in effect.

Major General R. Adang Rukhiatna, commander of the 9th Udayana Military Region, said this to reporters after installing Colonel Syahnakri Y.K. as commander of the 164th Wiradharma Military Precinct in Dili yesterday. He stressed that the presidential amnesty for terrorists who surrender has not been revoked. Thus, every surrendering terrorist will be treated well.

According to the military commander, the East Timor terrorists are getting weaker because they are not supported by local residents.

#### Malaysian Proposal To Solve Island Dispute Considered

BK0909013394 Jakarta Radio Republik Indonesia Network in Indonesian 0000 GMT 9 Sep 94

[Text] Indonesia will study Malaysia's proposal that the dispute over the ownership of Sipadan and Ligitan Islands be brought to a third party—the International Court of Justice, which is headquartered in the Hague, the Netherlands. Izhar Ibrahim, director general for political affairs of the Department of Foreign Affairs, said in Jakarta yesterday that Indonesia will deeply study the proposal. He, however, believed that the two sides as fellow ASEAN members should first use existing channels before bringing the matter to a third party. The two sides have not used bilateral channels either formally or informally to settle the dispute over Sipadan and Ligitan Islands. According to Izhar Ibrahim, Indonesia and Malaysia will have to use the ASEAN Treaty of Amity and Cooperation as the main mechanism to settle the dispute if they agree to involve a third party in the dispute.



### **Alatas Denies Repatriation of Diplomat From Australia**

*BK0609113394 Jakarta Radio Republik Indonesia Network in Indonesian 0600 GMT 6 Sep 94*

[Text] Foreign Minister Ali Alatas has denied a news report on the repatriation of an Indonesian Embassy official from Australia after the official acted roughly against supporters of the East Timor separatists when they entered the Indonesian Embassy in Canberra last July. Alatas said this to reporters in Jakarta last night after closing the peace talks between the Philippine Government and the Moro National Liberation Front. According to Alatas, the official was not a diplomat and he was not repatriated but transferred to another post. [Alatas recording indistinct]

Regarding anti-Indonesian protests, which are always violently conducted by supporters of the East Timor separatists in Australia, Alatas said the Indonesian Government has deeply regretted such acts because they violate the Vienna Convention. He said Indonesia fully understands the right to hold demonstrations, freedom of speech, and the right to air criticisms. They must be exercised in an orderly manner, however. The Indonesian Government has protested to the Australian Government several times about the violent acts of the demonstrators.

### **Government Not To Extend Concession to Timber Company**

*BK0809161494 Jakarta Radio Republik Indonesia Network in Indonesian 1500 GMT 8 Sep 94*

[Text] Parliament's Commission IV has fully supported the government's decision not to extend Barito Pacific Timber Co. Ltd.'s forest concession because the company refused to hand over 49 percent of its equity to the government. In addition, the company cannot give a satisfactory and transparent account of its forest management program. (Imam Kurmen), a member of Parliament's Commission IV, disclosed this in Jakarta today.

Earlier, Forestry Minister Jamaludin Suryohadikusumo said the government decided not to grant a concession extension to the company owned by [ethnic Chinese] Prayogo Pangestu because of its failure to preserve the environment in many areas under the company's concession.

### **\* Reaction to Banking Deregulation Reported**

*94SE0214B Jakarta BISNIS INDONESIA in Indonesian 18 Jul 94 p 1*

[Text] A scientific forum has concluded that banking and monetary deregulation have not resulted in technology transfer, since Indonesian businesses tend to prefer to import foreign technology.

In this economic dialogue, which took place on 16 July at the School of Economics of the National University in

Jakarta, economic observer Sri Bintang Pamungkas said that during the first period of Long-Term Development (PJP) the government tended to deregulate the monetary and banking sector and to pay less attention to real sector deregulation.

"That policy has had the effect of increasing the number of financial institutions trying to amass funds from the community. But, on the other hand, it has not resulted in technology transfer and so the real sector has not developed because it hasn't been deregulated enough," said Sri Bintang.

Another speaker, Marzuki Usman, head of the Financial Education and Training Board (BPLK) of the Department of Finance, said recently that given the trend toward the unpopularity of government, deregulation and privatization have become what almost every government administration requires.

"Deregulation is related to the government's increasing laxity in providing public services," said the former chairman of BAPEPAM [Capital Market Management Board].

Marzuki said that the theory stating that every government action will always result in inefficiency and will produce a dead weight welfare loss is more and more valid and credible.

The private sector is growing and is becoming stronger and more efficient so that whatever the government does is undesirable and is always severely criticized.

Banking observer I Nyoman Moena, contacted separately last night, agreed that banking deregulation provided greater access for financial institutions, resulting in the appearance of a number of new banks after the October 1988 regulations package. Moena stated that what we have now is banking regulation (not deregulation), i.e., the issuance of central bank policies whose goal is prudent banking activity.

The lack of deregulation in the real sector, said Sri Bintang, has caused the price of domestic industrial products to be far higher than the price of similar products from abroad.

"The reason for this is the lack of technology transfer; products are more expensive and this results in a high-cost economy."

In another part of his talk, Sri Bintang accused the majority of Indonesian businessmen of tending to prefer to import foreign technology for local application. "Our technicians are no longer tempted to create their own products or local machines, which could result in saving foreign exchange."

So, with a policy of import-substitute industrialization, Indonesia is 'forced' to produce goods which have a comparative advantage in their country of origin.

Another area to which attention must be paid, said Sri Bintang, is giving priority to human resources development so as to produce a better product. This can increase efficiency and result in technology transfer since what has been imported up to now has been industries together with their technologies or what is known as import substitution.

"The government should give priority to human resources development and real sector deregulation. Deregulation carried out only in the banking and monetary sectors can increase inflation, which will have a bad effect on the economy," he said.

Marzuki Usman went on to emphasize that regulation must be carried out in PJP II, even though government funds are limited. Deregulation means that great opportunities will be created in the banking sector.

### Philippines

#### No Peace Agreement Signed With MNLF in 2d Round

BK0809103194 Manila BUSINESS WORLD in English  
6 Sep 94 p 8

[Report by Sandra S. Aguinaldo]

[Text] The Philippine panel and the Moro National Liberation Front (MNLF) yesterday failed to sign a peace agreement ending secessionist rebellion in Mindanao after both parties stood firm on their position on matters pertaining to political restructuring in Mindanao and regional security.

Ambassador Manuel Yan, chairman of the government panel, told BUSINESS WORLD in a telephone interview that the two panels were not able to reach concessions on the two areas because of differences in opinion.

Early this year, the government and the MNLF also failed to reach an agreement on the talking points during the mixed committee meetings in Zamboanga City.

On regional security, the MNLF is demanding for a total security control of identified "MNLF areas" which the government panel rejected, saying the Philippine Constitution provides that there shall only be one armed forces in the country.

Political restructuring or transition of regional autonomy also remained to be one of the two stumbling blocks in the talks, Mr. Yan said.

After the five-day discussions and debates, the two panels decided to schedule another round of talks in Indonesia within the first quarter of next year to settle the issues still unresolved.

Mr. Yan said the two panels have agreed on most of the talking points.

"Although there were some problems, we have been able to accomplish some works of peace," he said.

The areas ready to be signed for the final round of talks concern the educational system, economic and finance and the Shariah or Muslim law.

At the same time, Gen. Guillermo Ruiz, Marines chief and government representative to the Joint Ceasefire Committee, said representatives of the Organization of Islamic Conference (OIC) are set to visit Mindanao to check on the ceasefire agreement between government and the MNLF.

He added, however, that there are conflicts as to how many OIC members should fly to southern Philippines.

The MNLF suggested 40 while government maintained that not more than ten people will be enough.

Mr. Ruiz said the initial agreement reached by the two parties stated that 15 OIC representatives may come to Mindanao as observers. He added the plan may still be changed.

At the same time, Abou Amri Taddik of the MNLF told Business World the MNLF is not willing to compromise its stand as far as the interpretation of the Tripoli Agreement is concerned.

He added the major stumbling blocks in the talks have something to do with regional autonomy being pushed by the Muslim rebels.

The Tripoli Agreement states that "the areas of autonomy for Southern Philippines shall comprise the following: Basilan, Tawi-tawi, Sulu, Zamboanga del Sur, Zamboanga del Norte, North Cotabato, Maguindanao, Sultan Kudarat, Lanao del Norte, Lanao del Sur, Davao del Sur, South Cotabato, Palawan and all the cities and villages situated therein."

The agreement also provides that the Philippine Government "shall take all necessary constitutional processes for the implementation of the entire agreement."

Still both parties ended the talks with high notes of optimism, saying all disagreements will be ironed out during another round of mixed committee meetings later this year.

"In due time, we will be able to come up with a lasting peace agreement to finally end the armed struggle in Mindanao," Mr. Yan said.

### Thailand

#### Chuan, Philippine President Discuss APEC

BK0909031294 Bangkok BANGKOK POST in English  
9 Sep 94 p 6

[Text] Prime Minister Chuan Likphai and Philippine President Fidel Ramos have agreed that ASEAN leaders should hold an informal summit before they gather for

the APEC [Asia-Pacific Economic Cooperation] meeting in Indonesia, Government Spokesman Aphisit Wetch-achiwa reported last night.

The ASEAN gathering will benefit "unity in ASEAN", he said.

Mr Chuan and Mr Ramos reached the agreement during the latter's stopover in Bangkok last night en route to a five-nation tour of Europe.

The agreement followed reports that Indonesia was moving to call off the informal ASEAN summit in response to perceived concerns in the United States.

The US was reported to be worried about the possibility of ASEAN member states adopting a common position on issues important to the Asian Pacific Economic Cooperation (APEC) forum.

APEC brings together the six ASEAN member states, the US, Canada, Australia, New Zealand, Japan, South Korea, China, Taiwan, Hong Kong, Mexico and Papua New Guinea.

Mr Chuan and Mr Ramos met for about 30 minutes at a hotel not far from Don Muang Airport. Mr Ramos arrived in Bangkok early last night and was due to leave for Italy at 2 A.M. this morning. His nine-day tour is also to take him to Spain, France, Belgium and Germany.

Mr Aphisit said the two leaders discussed the question of expanding ASEAN, notably the forthcoming membership of Vietnam.

They also discussed the situation in Cambodia with both expressing concern over dangers to peace and stability.

Mr Chuan maintained that the Cambodian problem was an internal affair, said the spokesman.

On bilateral matters, the two discussed developments regarding three Thai banks which are seeking to open operations in the Philippines. The banks, which the spokesman did not identify, have undergone preliminary procedures and are now waiting a final decision on their applications.

Mr Chuan and Mr Ramos noted that the Philippines' economic recovery would boost bilateral trade.

The discussions also covered the problems of Thai and Philippine workers in Japan, with both leaders feeling a need to form a joint stand on the matter.

Meanwhile, the Philippines' First Lady, Amelita Ramos, is due to visit Thailand as a guest of the Government from October 31-November. Mr Aphisit said Mrs Ramos would be looking at a variety of development projects in the country.

#### **European Commission Official Views Asia Strategy**

BK0909040494 Bangkok BANGKOK POST in English  
9 Sep 94 p 6

[Text] A senior official of the European Commission has rejected suggestions that Vietnam's opening up was decisive to the commission's new strategy on Asia.

"The opening up of Vietnam is a good thing for us," said the official, who requested anonymity.

"We welcome it. But we are not the only ones because Vietnam is to become the next member of ASEAN," the official said.

The official was commenting on what is the commission's first document on Asia. Called Toward a New Asia Strategy, it was adopted by the commission in July and is due to be discussed by foreign ministers of the European Union in Karlsruhe, Germany, later this month, before formal approval is given by leaders in October.

The commission official made the comments at a Round Table, organised by the Thai Foreign Ministry, on Prospects for Political and Economic Partnership between Thailand and Europe.

The commission's document was drawn up in response to the stronger position of Asia as a whole, the official maintained.

"We are aware that Asia is developing economically and wants to play an important role politically," the official said.

The document is also "significant" in that it emerged "amid fear of Europe getting inward-looking," the official said.

Conceived for 26 countries in Asia, the document calls on the EU to pay more attention to the political and security balance of power in Asia as it strives to strengthen its economic presence. But one ASEAN official recently expressed some disappointment with the document, saying it seems to show greater interest by Europe in transitional economies like Vietnam, China, and India than in ASEAN countries with whom the EU has a long history of cooperation.

Among other things, the document identifies China, India, Vietnam and Pakistan as Asian countries which the EU should help integrate into the open, market-based world trading system.

At the roundtable yesterday, the commission official affirmed the EU's willingness to pass on its experience in customs regulations to ASEAN as the grouping works toward the ASEAN Free Trade Area (AFTA).

Speaking outside the roundtable, the commission official maintained that the EU's relationship with the six-nation Association of Southeast Asian Nations (ASEAN) remains "special".

The official cited the fact that the ASEAN-EU dialogue has been going since 1980, the annual discussions with ASEAN at what is known as the Post-Ministerial Conference (PMC), and the EU's participation in the launching in Bangkok in July of the first ASEAN Regional Forum (ARF).



The official also pointed out that Thailand was the first Southeast Asian country where the commission set up a delegation, in 1978.

The "broadening" and deepening integration of Europe compelled the EU to become more political, the official said.

As part of this development, the commission needed to identify issues for political dialogue with Asia, and these would include arms control and non-proliferation as well as drugs, the official said.

At the roundtable, the commission official was joined by a former deputy foreign minister of the Czech Republic, Martin Palous, a legal adviser of the Socialist Party in Hungary, Laszlo Czegledi, and academics and journalists from Germany Poland, Russia, Spain, Sweden, Turkey and Thailand.

Pradap Phibulsonggram, director-general of the Thai Foreign Ministry's Department of European Affairs, chaired the discussion that also drew representatives from the National Security Council, Board of Investment, Bank of Thailand Thai Farmers Bank and the Board of Trade.

#### **Official on Japanese Fund for ASEAN Development**

BK0909062394 Bangkok *THE NATION* in English 9 Sep 94 p B3

[By Atchara Phongwutthitham]

[Text] Japan is likely to abolish the Asean Japan Development Fund (AJDF), which will soon approach its maturity, after seeing little attention from Asean countries including Thailand.

Thirana Phongmakaphat, adviser to Deputy Prime Minister Suphachai Phanitchapak, revealed that if Thailand wants to tap assistance from the fund, it will have to wait to see if the AJDF is extended into the second phase.

Japan is making a decision, said Thirana following a discussion between the Thai minister and Japan's foreign affairs minister on Sept 6 during Prime Minister Chuan Likphai's Sept 2-7 visit to Tokyo.

During the discussion, Suphachai asked the Japanese minister to quickly consider the extension so that Thailand could seek help from the fund now that the country is conducting wide-scale development which needs huge amounts of funds.

Thailand would also urge Japan to consider extending other types of yen loans on a bilateral basis which will need less time for approval. However, Thailand is subject to foreign exchange risks due to the appreciation of the yen against the US dollar.

More financial assistance is necessary for Thai industries which need funds for new machinery to strengthen their operations amid increasing competition in the global market.

Thirana noted that Japan may have to alter some lending conditions of the AJDF if it is extended to the second phase. Large-scale industries which need re-investment money should have access to the funds. A key problem of the AJDF lies in its objective to limit funds to only medium- and small-scale industries which are more in need of training and management assistance.

Meanwhile, the adviser said that the Thai delegates also met with the head of the Economic Department of the Ministry of Internal Trade and Industry to discuss Thailand's role in Indochina. It is also unclear whether the region will include Burma and south China.

At the Asean Economic Ministers Meeting scheduled in the middle of this month Thailand will also propose a development plan designed for Indochina.

Thirana said that after this visit, there will be talks between the concerned private and public agencies in an attempt to produce a development paper which will focus on industrial cooperation between Japan and Asean countries, which comprise Brunei, Indonesia, Malaysia, the Philippines, Singapore and Thailand.

"We've informed Japan that Thailand will take part in the development of the sub-region and other Asean countries will be urged to participate more in the development of Indochina," said Thirana.

He noted that the United States, Japan and France will be invited to join the development and that will help the Indochinese countries improve their economies more quickly.

#### **Papers Comment on Chuan's Visit to Japan**

BK0909084094

[Editorial Report] Three Bangkok's vernacular dailies—SIAM POST, MATICHON, and THAI RAT—on 9 September carry editorials commenting on the outcome of Prime Minister Chuan Likphai's official visit to Japan.

SIAM POST's 400-word editorial, on page 4, entitled: "Thai-Japanese Relations Strengthened," says: "Prime Minister Chuan's official visit to Japan from 2 to 7 September has further strengthened relations between the two countries to a certain level. More Japanese entrepreneurs are interested in moving their industrial bases to Thailand.

"As a matter of fact, Thailand has been hosting Japanese investment in different industries. Japanese goods including consumer products, electrical appliances, and cars already dominate the Thai market."

The paper cites various industries in which the two countries can jointly invest, saying: "Thailand is one of the countries in this region where foreign investors are given freedoms and privileges. Our observation of Japanese investment in Thailand tells us that the Japanese often bring raw materials to feed their factories here and

refuse to use local raw materials. Thailand's handicraft and cottage industry has been destroyed by the many Japanese industries here. We appeal to the Government under the leadership of Prime Minister Chuan Likphai not to concentrate only on encouraging Japan to move its industrial bases to Thailand but also to consider the disadvantages our country has to bear in the long run."

MATICHON's 300-word editorial, on page 2, entitled: "The Japan Visit's Result," says: "Judging from the reports dispatched from Tokyo, Prime Minister Chuan Likphai's visit should be regarded as successful, in particular, his attempt to attract more Japanese investment to Thailand."

The editorial notes that as many as "800 Japanese companies have shown keen interest in investing in Thailand." Since the yen is getting stronger, Japanese entrepreneurs can move their production bases to Thailand to cut production cost and increase the competitiveness of their products.

The paper continues: "Meanwhile, the Thai side does not expect to see Japanese investors flowing into Thailand. The emphasis is on the quality of investment. Specifically speaking, the desired investment should contribute to the preservation of the natural environment and will not cause pollution."

The editorial concludes by saying: "However, the success of the visit of Prime Minister Chuan Likphai has been contributed by his image as a clean politician. Both Thailand and Japan need clean politicians to serve the people, while the societies in the two countries are filled with competition for personal gain. In some cases, ethics and principles are simply neglected. The problem of Thai women being lured into prostitution in Japan is another example of the corrupt nature of Thai and Japanese societies."

THAI RAT's 400 word editorial, on page 3, entitled: "The Japanese Do Not Eat Thai Rice," says: "We have no doubt that the success of Prime Minister Chuan Likphai's visit to Japan will benefit both the government and private sectors. In particular, more Japanese investors will soon come to invest in Thailand. However, the attempt to encourage Japan to buy more Thai rice seems to have failed. But this can be a blessing in disguise for the Thai people, because if Japan increases its Thai rice imports, Thais will have to pay two times more for starch."

The editorial describes the peculiarities of the type of rice the Japanese eat as their staple and notes that Thailand's fragrant rice is only suitable for making pudding and cake. "If the campaign to encourage the Japanese to eat Thai rice is successful, rice exports to Japan will increase tremendously and Thais will have to pay more for rice."

**Al-Arqam Says Business, Investment To Continue**  
*BK0909033694 Bangkok BANGKOK POST in English*  
9 Sep 94 p 5

[Excerpt] The business and investment interests of the Al-Arqam Muslim sect in Thailand will continue regardless of what happens to the group's leaders who were arrested last week in Malaysia, a group spokesman said yesterday.

Mohammed Adam said most of the businesses would operate as usual except for the inbound tour operation which brings Malaysians to Thailand. It will be suspended temporarily.

"Our group established its work in Thailand nearly 10 years ago. We operate many kinds of work including agriculture, livestock, import/export as well as relief work," he said.

Members of the group will carry on their work as usual as it is well organised and can function without interruption. The same is true of other group businesses all over the world he said.

According to an Al-Arqam brochure, the group's businesses worldwide include restaurants, retail outlets, the food and beverage industry, medical and health services human development and skills training, livestock, publishing, import/export, textiles and cosmetics production, agriculture and transport.

"We have 10 Thai members who are key people in our operations plus several thousand others in Thailand, both Muslims and people of other faiths who sympathise with our cause," said Mr Adam.

Al-Arqam leaders in Malaysia have been arrested and detained but no arrests have taken place in other countries.

"Our leader Abuya Ashaari (sect founder Ashaari Muhammad) was arrested because of political motives, not because of religious matters," he said.

Mr Adam, 37, a Thai Muslim from Pathum Thani Province and a graduate of an Islamic university in Saudi Arabia, said his group concentrated on Muslim religious affairs as well as business.

"Our faith is based on Sunni beliefs which compose the majority of Muslims worldwide."

He said his sect could live peacefully with people of other religions since their teachings are based on love and peace.

"In our 26-year history, none of our members has committed a crime," he said.

Mr Adam has three wives two Thais and a Malaysian but he said it was more difficult for him to control his Thai wives.

"Even though they are Muslims, they were born amid the Thai culture and Thai traditions which stress one wife and one husband," he said. [passage omitted]

### **Spokesman Rebuffs Amnesty Charges on Refugees**

*BK0809142094 Hong Kong AFP in English 1354 GMT 8 Sep 94*

[Excerpt] Bangkok, Sept 8 (AFP)—A Thai government spokesman defended on Thursday his country's policy of rejecting asylum-seekers, following charges by Amnesty International that Thailand forcefully repatriated refugees.

"Thailand will provide the necessary humanitarian aid (for asylum-seekers)," Aphisit Wetchachiwa told AFP. "And we would not send people back across a border if we felt it was not safe for them to go back."

Earlier in the day, London-based human rights group Amnesty International alleged in a statement obtained here that refugees in Thailand were generally subjected to beatings, extortion and unjustified detention.

It also criticized Thailand for failing to establish any procedures for [word indistinct] refugee status, meaning there is "no opportunity to have their claims for asylum examined by the authorities," the statement said.

"Amnesty International is concerned...that the area to which they are being returned, far from being the 'safe area' that the Thai authorities claim, is in fact a place where people are at serious risk from soldiers of the Burmese army," the statement said.

Aphisit said that Amnesty should be more concerned with the care of refugees than with government policy.

"The Thai government and military, which are responsible for national policy, feel the issues of neutrality and policy should not be the concern of the NGOs (non-government agencies)," he said.

He said that Thailand had no policy to mistreat refugees, but added that governments and NGOs often received conflicting information about the condition of asylum-seekers.

"It might be helpful to have a United Nations High Commissioner for Refugees (UNHCR) representative on hand which would assure the international community," he said.

Aphisit also said he had asked Thai government agencies to accelerate their cooperation with the UNHCR, though he did not elaborate. [passage omitted—background on Mon refugee situation]

### **Better Treatment for Illegal Immigrants Urged**

*BK0909044294 Bangkok THE NATION in English 9 Sep 94 p A6*

[Editorial: "Illegal Immigrants Should be Treated with Compassion"]

[Text] Following the trend toward globalization and free trade has brought us many benefits: more wealth, more material goods, a greater say in regional and world affairs. But with these benefits also come certain responsibilities.

We haven't always been so eager to follow up on those.

One responsibility in particular we haven't paid much attention to is the way illegal immigrants are treated in Thailand. With the authorities apparently carrying out a crackdown on aliens who have no legal right to be here, it's time to examine just how these people are treated.

It doesn't make a pretty picture. Captured illegals are considered to be virtually without rights. They are locked up in primitive and crowded conditions where they are considered fair game for abuse.

If they have enough money to pay the "car fare" (usually Bt100-200), they are packed like cattle into trucks and sent off to the border. If not, then they often have to stay in jail for weeks, even months.

Most vulnerable are the women. Some officials, particularly in border areas where laws have little meaning, seem to think they can do what they please with them. There have been many accounts of repatriated women being raped by those who are supposed to look after them. Unfortunately, while such accusations are difficult to prove, they are entirely believable.

These practices must stop. Now.

Cold-hearted types may point out that illegal aliens have broken the law by coming into Thailand without proper papers. But it's worth remembering that there are plenty of Thais working abroad, too.

Some have legal permission to do so, but many—perhaps hundreds of thousands—are simply playing "Robin Hood".

We often ask that they be treated with compassion, and with good reason. So we should do the same for those who come to our shores uninvited.

There are hundreds of thousands of illegal aliens now in Thailand, although nobody knows the exact figure.

It's estimated that 300,000-500,000 come from Burma alone, but there also plenty from China, Laos and other Asian countries. And it's generally assumed that they are taking jobs away from needy Thais.

The reality is more complex, of course. Often, illegal aliens end up taking jobs that Thais simply won't do any more because the work is too menial. Their willingness to work for less than the minimum wage makes them unfair competition for Thai labourers, but also makes them attractive to employers.

Here is the point: while illegal immigrants may be exploiting Thailand's booming economy, they are also



being exploited by Thai businessmen and officials—some of whom are making a lot of money out of the migrants.

Businessmen who employ them can sell their products cheaper because of reduced labour costs. And corrupt officials receive money in exchange for looking the other way, either at the border or in the workplace.

Some illegals have even been able to find work in provincial government offices.

So if the authorities are serious about wanting to reduce the number of illegal workers in Thailand, then they should also punish those who hire the aliens or benefit from their presence—a more daunting proposition, of course.

Otherwise, the demand for illegal workers will continue unabated. Illegal immigrants will just continue travelling in an endless cycle, returning to Thailand again and again to find work.

Some captured illegals have admitted that they have already been caught three or four times.

In fact, there has been little public debate about Thai policy concerning migrant workers from abroad.

There was an attempt to register them and legalize them, but it was carried out half-heartedly; most aliens will shy away from any registration unless they are sure it's not just a trick to capture them. A serious policy to import cheap labour from abroad must be carried out thoroughly or not at all.

In any case, illegal immigrants—although technically criminals—should not be treated as such.

Most of them are trying to make an honest living, even if they are doing so in a place where they are not supposed to be.

A definite distinction also has to be made between illegal immigrants who come to look for work and refugees who are fleeing human rights abuses abroad.

Military authorities have tried to blur this distinction for political reasons, lumping refugees together with economic migrants in an attempt to expel them all. But there are ways to make impartial decisions about a foreigner's motives for coming to Thailand.

The government should set up a simple screening process to interview illegal aliens and see why they come: most immigrants are refreshingly honest, and those who do attempt to lie can usually be caught out.

Governments all over the world use this method to separate economic migrants from those genuinely in need of political asylum. And Thailand, as a rapidly developing country, has a responsibility to follow suit.

If moralistic arguments fail to persuade the authorities to be more compassionate toward illegal aliens, then perhaps they will listen to more practical reasons.

It's in our self-interest to treat them kindly, because even if they are sent back home, they will still be our neighbours for a long time to come.

#### \* Amnui Party Leadership, Operations Financing

94SE0216B Bangkok LAK THAI in Thai 30 Jul-6 Aug 94 pp 14, 15

[Unattributed report: "The 'Thai Leadership Party'—a Crown at the Head and a Centipede at the Tail"]

[Excerpts] When Mr. Amnuai Wirawan relinquished the positions of deputy head of the New Aspiration Party and deputy minister and clearly indicated the reason was that he wanted to set up a new political party, everyone took notice. Then on 12 July the situation became clearer when he announced in Los Angeles that the new party being set up would be called the "Thai Leadership Party." [passage omitted]

The 15 people founding the party created even more excitement among political circles because of each of their reputations. Everyone knew that they were experienced in administration. The list went from: 1. Mr. Amnuai Wirawan, 2. Mr. Kasem Chatikawanit, Super K., 3. Kasemsamoson Kasemsi (MRW) [royal title], a former minister attached to the Office of the Prime Minister, 4. Mr. Thaloeng Thamrongnawasawat, a former undersecretary of agriculture and cooperatives, 5. Mr. Song Ongchaiwatthana, a subdistrict head and owner of the rice dock in Phichit, 6. Mr. Praphanphong Wetchachiwa, formerly a famous professor, 7. Mr. Prasong Sukhum, 8. Mr. Phongphan Samphawakhup, 9. Mr. Phongsathon Siriyothin, 10. Mr. Wirot Phutrakun, 11. Mr. Wirin Phunsiriwong, 12. Mr. Somphop Amatyakun, 13. Mrs. Sukhon Kanchanalai, 14. Mr. Chaloechai Wasinon, and 15. Mr. Somphon Klinphongsa. [passage omitted]

Those at the administrative level of the party revealed that: "Although the Thai Leadership Party would like to present a new choice to the people, in fact the leadership of the party has to accept that in each election no more than 10 percent of the MP's are replaced, and so it is necessary for the party to have a certain proportion of old MP's for support." Past information was that volunteers for this party would result from the organization and support of Mr. Phong Sarasin of the Coke Group, R.T.O. Surat Osotthanukhro of the Osotsapha Group, Mr. Narongchai Akhaserani of the G.F. Financial Businesses Group, Mr. Chokchai Aksonnan of the Industrial Council, Mr. Anan Kanchaphat of the Bangkok Land Group, and Mr. Akon Huntrakun, former owner of the Imperial Hotel. As for the MP's, they would come from the group of Mr. Narong Wongwan, the former head of the Justice Unity Party. This group included 16 MP's. The list formerly included the following:

In the North it included Mr. Somphong Amonwivat, an MP from Chiang Mai and Mr. Warathep Ratnakon, an MP from Kamphaeng Phet.

In the East it included Mr. Suchat Tancharoen and Mr. Itthi Sirilatthayakon, MP's from Chachoengsao; Mr. Sonthaya Khunplum and Mr. Witthaya Khunplum, MP's from Chonburi; Mr. Yongyot Arunwetsaset, an MP from Rayong; and Mr. Prawat Utatamot, an MP from Chanthaburi.

In the central region it included Mr. Thani Yisan, an MP from Phetburi; Mr. Sorarot Klinprathum, an MP from Ratburi; and Mr. Chuchat Hanyasawat, an MP from Pathum Thani.

In the Northeast it included Mr. Newin Chitchop and Mr. Songsak Thongsari, MP's from Buriram; Mr. Chamlong Khrukhunthot and Mr. Banchong Khositchiranan, MP's from Roi Et; and Mr. Phairot Suwannachiwa, an MP from Nakhon Ratchasima. In addition there were some from the New Aspiration Party. It included Mr. Bunchu Trithong's group from the New Aspiration Party and some of the Lukphraphai group from the Moral Force Party. It also included the group of Chamni Sakdiset and Mr. Witthaya Keophladaei, Mr. Sutham Saengprathum, Mr. Bunchu Rotnasathian, Col. Winai Somphong and many others who were ministers or were from independent parties. If this were the case then it was thought to be a large-scale gathering up of MP's from various parties. It was criticized because this approach of gathering MP's to form a party raised the price of MP's as there was competition between the parties. [passage omitted]

Not only will Mr. Amnuai himself enter the battlefield in Khon Kaen Province, but he also built a house on Kasikon Street, Thung Sang in the Khon Kaen Municipal District on more than 2 rai [a rai equals about 0.4 acres] of land. It was a building in the Thai style with a meeting hall for 100 people. It cost 10 million baht. He opened a speech to his supporters by saying:

"Khon Kaen Province has been developing for 20 years since the time of Field Marshal Sarit Thanarat, and if I am Khon Kaen's [representative] some day, I intend to develop Khon Kaen a great deal just as Field Marshal Sarit did." [passage omitted]

The temporary offices of the Thai Leadership Party have been opened at rooms number 1107 to 1100, four rooms, on the 11th floor of the Delta Grand Pacific Hotel on Sukhumvit Road which is owned by Mr. Phongphan Samphawakhup. [passage omitted]

The rooms used for the offices of the Thai Leadership Party are standard rooms which cost 3,900 baht per night to rent. The rooms have 30 square meters each. The total rent is 15,600 baht per night. They have made plans to build a permanent office near the National Assembly. [passage omitted]

## Vietnam

### Spokesperson Reiterates Sovereignty Over Spratlys

BBK0909145894 Hanoi VNA in English 1435 GMT 9 Sep 94

[Text] Hanoi VNA Sept. 9—Truong Sa archipelago [Spratlys] is an inseparable part of Vietnam and Vietnam has enough historical and legal evidence and documents to affirm its sovereignty over the archipelago, said the Vietnamese spokesperson for the Ministry of Foreign Affairs in an interview with AP on a statement made on Sept. 8 by a Chinese spokesperson concerning the area.

Vietnam is continuing its activities to develop the normal economic life in its territories. Any statements or claims by another country over Truong Sa archipelago will violate the territorial integrity of Vietnam, the spokesperson stressed.

### Commentary Reviews Relations With India

BBK0909090194 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 8 Sep 94

[Station commentary: "A New Page in Vietnamese-Indian Relations"]

[Text] Although the official visit to Vietnam by Indian Prime Minister Narasimha Rao has been short, his trip, and especially the results of the visit, have had a profound impact on the time-honored Vietnamese-Indian traditional relations.

Prior to his visit, the Indian Prime Minister said: The objective of my visit to Vietnam is to renew my existing contacts with this great and friendly nation. In this spirit, during his stay in Vietnam, the Indian Prime Minister met with Vietnamese party and state leaders, held talks with Prime Minister Vo Van Kiet, and held working sessions with a number of Vietnamese ministers. Most importantly, the two sides laid down orientations and effective measures aimed at stepping up the multifaceted cooperation between the two nations to contribute to triumphantly implementing the renovation and reform processes in their respective countries.

As two fraternal countries in Asia, Vietnam and India have clearly realized the outstanding position of this continent against the background of swift changes in the world. A new, dynamic Asia—the most vigorously developing region in the world—can electrify the tradition of peace and friendship, the generosity, and the harmony which have been existed for quite a long time on the continent, thereby exerting a stabilizing influence on various international issues. Efforts to develop cooperation between Vietnam and India have been made in this context.

We note with pleasure that the two countries have recorded significant achievements in the renovation and reform processes in their respective nations. These

achievements have improved the position and relative strength of each nation so that they can develop further. This represents another new development in the relations of cooperation between Vietnam and India. The existing potential in the bilateral relations have not yet been fully exploited, so it is time to renew and tap this potential to produce better results for the interests of both peoples and for the interest of peace, stability, cooperation, and development in the region and the world.

Prime Minister Narasimha Rao said: India's priority task is to expand its partnership relations with Vietnam so as to enter the 21st century with a new renovative path. In this spirit, the two sides have signed five important agreements covering such issues as taxation, travel facilities for citizens of both countries, and the relations between their ministries of foreign affairs and national defense. These are the results of the official visit to Vietnam by Indian Prime Minister Narasimha Rao. These documents will serve as a firm basis for further agreements between the high-level delegations of the two countries.

The Vietnamese Government and people have always treasured the relations of friendship and cooperation with the Indian Government and people, and have consistently promoted these relations.

The official friendly visit to Vietnam by the Indian prime minister is an important event, marking a new page in the history of the two nation's relations. The results attained in this visit will help consolidate and develop the existing ties of the two countries. The Vietnamese Government and people pledge to do their best to satisfactorily implement the agreements reached by the two sides so as to further develop Vietnamese-Indian relations, thereby meeting the aspirations of the two peoples and promoting peace, stability, cooperation, and development in the region and the world.

#### **Ambassador Gives Reception To Mark DPRK Founding**

*BK0809160494 Hanoi VNA in English 1538 GMT 8 Sep 94*

[Text] Hanoi VNA Sep. 8—Ambassador of the Democratic People's Republic of Korea (DPRK) Han Min Chol gave a reception here this evening on his country's 46th founding anniversary (Sept. 9).

Addressing the reception, Ambassador Han Min-chol and Vietnam's Minister of Education and Training Tran Hong Quan highlighted the determination of the people of the DPRK to overcome difficulties, advancing forwards to obtain successes in socialist construction and the struggle for peace sovereignty, national reunification. They also spoke highly of the important achievements that the Vietnamese people have recorded in the renovation process to build a prosperous and happy country.

Host and guest proposed a toast to the further consolidation and development of the friendship, solidarity and fraternal cooperation between the two countries.

On this occasion, a get-together was held here yesterday jointly by the Vietnam Union of Friendship organizations and the Vietnam-DPRK Friendship Association.

#### **Lao Party Committee Delegation Visits 30 Aug-8 Sep**

*BK0809161794 Hanoi VNA in English 1526 GMT 8 Sep 94*

[Text] Hanoi VNA Sept 8—A delegation of the Lao People's Revolutionary Party Central Committee's Information and Training Committee led by Mr. Son Khamvanvongsa, member of the LPRP Central Committee and deputy head of the committee, paid a working visit to Vietnam from August 30 to September 8.

During the visit, made at the invitation of the ideology and culture committee of the Communist Party of Vietnam Central Committee, experiences in cultural and ideological work of the two parties were exchanged.

The delegation paid a floral tribute to President Ho Chi Minh at his mausoleum, and visited the late president's hometown in Nam Dan District, Nghe An Province.

It had working sessions with the host committee and the executive boards of the party organizations of Thanh Hoa and Nghe An provinces. It visited daily NHAN DAN, organ of the CPV.

The delegation was received by Mr. H Dang, member of the party Central Committee and head of the host committee.

#### **Vo Van Kiet Addresses Advanced Military Institute**

*BK0909102694 Hanoi Voice of Vietnam Network in Vietnamese 1100 GMT 8 Sep 94*

[Report with portions recorded]

[Text] The Advanced Military Institute opened its 1994-95 academic year this morning, 8 August. The prime minister attended and gave an address to the cadres and students of the institute.

The 1994-95 academic year is the first year that the Advanced Military Institute has started implementing the resolution of the party Central Committee Military Commission on the need to continue renovating the training of technical cadres and personnel and to carry out standardization for schools. This comprehensive and radical change is to take place in the years ahead as part of an effort to establish a defense college with new functions, duties, qualities, and scope of activity.

This academic year is also the year the institute has the largest number of training classes and students. The purposes for which the students are trained are varied



and the training formats which are adopted are highly diversified. Along with the duty of providing standard training, the re-training of the contingent of instructors and training management cadres has also been regarded as a heavy and urgent task. In addition, the institute has started building itself in accordance with the requirements arising from its new tasks.

Giving an address to the cadres and students of the Advanced Military Institute, Prime Minister Vo Van Kiet underlined the position and the many achievements recorded by the institute in the previous academic year. He also cited the immediate tasks to be carried out to continue to further improve the institute in order to meet the requirements of the all-people national defense as outlined by our party.

Prime Minister Vo Van Kiet said:

[Begin Vo Van Kiet recording] Faced with new requirements, the institute has striven to improve the quality of its academic and scholastic activities in all the three areas—training syllabus, academic staff, and material and technical facilities, with the training syllabus being the most important. Regarding the training syllabus, the institute needs to be fully and profoundly aware of all military notions and other ideas of the party on indoctrination and training. The institute must fully exploit and develop our forefathers' tradition of fighting the enemy and must study and be able to skillfully apply the extremely valuable experiences learned by the people from various wars of resistance. At the same time, it must study foreign military sciences so as to catch up with the rapid developments in the military art. The institute must achieve a close combination between theory and practice and between the school and the units.

The institute must concentrate on strengthening and improving the political acumen, leadership and professional skills, ethical quality, revolutionary lifestyle, and working behavior of its cadres and instructors so they can serve as a backbone force for building the institute in the present and for the long term. The institute must promptly overcome the professional flaws of the contingent of its instructors and management cadres.

The institute must pay attention to building its academic facilities and renovating its teaching aids in the gradual advance toward modernization so as to contribute to improving the quality of training and scientific research. The institute must strive to be one of the country's training centers for military and national defense talents while serving as a cultural catalyst for the scientific and educational movement now being initiated at the capital. Therefore, the responsibility for this will rest not only with the institute and the army alone but also with various sectors and localities. [end recording]

After attending the opening ceremony for the 1994-95 academic year of the Advanced Military Institute, Prime

Minister Vo Van Kiet visited various supporting facilities of the institute's academic and scholastic activities. Afterward, the prime minister spent a great deal of time working with the board of directors and the leading cadres of the institute over some issues now being encountered so as to gradually build the institute into a national defense college to turn out military cadres with high qualifications capable of fulfilling the national defense duty.

#### \* Government Discusses Work Up to Year End

942E0089C Ho Chi Minh City THOI BAO KINH TE  
SAIGON in Vietnamese 21 Jul 94 p 4

[Article by Kieu An: "Meeting Between Government and Southern Provinces and Municipalities on Dealing With Six Remaining Issues by the End of This Year"]

[Text] In 3 days—18, 19, and 20 July—the government met with a number of secretaries, chairmen, and service-level directors of southern provinces and municipalities. The meeting took place in Thong Nhat Palace, under the chairmanship of Prime Minister Vo Van Kiet and with the participation of three deputy prime ministers and representatives of 25 ministries and ministerial-level organs.

Minister Le Xuan Trinh, director of the Office of the Government, had said that the meeting would discuss and resolve six major issues in the government's work plan to be carried out by the end of this year. These issues are:

- To achieve the restoration of the law in state management, particularly in regard to administrative procedural matters.
- A number of measures aimed at reorganizing the management and use of land and housing in cities.
- The state of granting land and forests to be used in carrying out the cover-the-bare-hills-with-vegetation program.
- The abilities to mobilize and use capital from credit and investment in capital construction projects.
- To report on the first-six-months budget and to discuss the measures to be taken to collect money for the budget of the entire year of 1994.
- The measures to be taken to prevent and control social ills.

At the conference, Minister Le Xuan Trinh reported on the implementation of the government's decisions aimed at fighting corruption, indiscipline, smuggling, disregard for the law, and so on. At the same time, the government was rationalizing a number of procedures that have been causing a lot of inconvenience, such as distribution of budget and capital construction; issuing of business permits and export-import permits; issuing of permits for foreign investment projects; business registration; granting of land for construction; exit-entry visa procedures; vehicle registration procedures; and handling of lawsuits and complaints.

Deputy Prime Minister Tran Duc Luong presented to the conference a number of urgent measures aimed at restoring law and order in the management and use of land and housing in cities. On this occasion, he also informed the conference that the government would adopt a series of new policies in order to deal with the issue of land in cities and to reflect the following basic spirit:

- To strictly adhere to cities' plans;
- To grant land in accordance with projects, and to use cities' land only for its intended purposes;
- To improve managerial efficiency, and to use cities' land economically and effectively;
- To fight negative phenomena in the management and use of cities' land;
- To achieve openness and democracy, to resist causing inconvenience, and to strengthen control in the management and use of cities' land.

As to housing, Deputy Prime Minister Tran Duc Luong pointed out that Vietnam's strategy was to create opportunities for all citizens to have permanent places of residence. Reflecting this spirit, the government will issue a number of legal documents in the following fields:

- Policies having to do with land used for housing construction; policies on ownership of housing and the right to use residential land; policies having to do with buying, selling, and dealing in housing; financial policies applicable to housing; housing policies in favor of persons having done a great deal for the revolution; housing policies in favor of low-income people; housing policies for the armed forces; policies on official residences; housing policies applicable to foreigners during their permanent residence in Vietnam, and so on.

The deputy prime minister emphasized that housing, residential land, and management of construction in cities were hot issues that stirred a lot of heated discussion. Moreover, the policies that the government has issued and is going to issue are closely linked with the masses' needs and interests. Therefore, to organize their implementation must be urgent but properly carried out, cautious, and correctly based on regulations.

In addition to the above-mentioned reports, there were reports made by State Planning Commission Chairman Do Quoc Sam on the socioeconomic state of the southern provinces; by Vice Finance Minister Nguyen Sinh Hung on the budget; by Forestry Minister Nguyen Quang Ha on the state of granting land and forests; and by Labor, War Invalids and Social Welfare Minister Tran Dinh Hoan on social ills and measures taken to promote their prevention and control.

**\* Bank Governor on Credit Organizations, Banks**

942E0089A Ho Chi Minh City THOI BAO KINH TE  
SAIGON in Vietnamese 14-20 Jul 94 p 9

[Interview with State Bank Governor Cao Si Kiem by B. Vi; place and date not given: "State Bank Governor Cao

Si Kiem: 'Let Us Complete the Legal Documents in Order To Consolidate the Shareholders' Credit Organizations.'"]

[Text] The network of shareholders' commercial banks (SCB) currently holds about 3 trillion dong of mobilized and loaned capital on the monetary market. Throughout the country there are 43 urban and rural SCB's; in Ho Chi Minh City alone, there are more than 20 SCB main offices or branches holding about one-half of the locally-mobilized capital. The appearance of more and more SCB's, which are called "outside of state enterprise" banks, is creating a serious need for the state organ in charge of management in this field, the Vietnam State Bank. How to ensure capital safety for depositors and healthy activities of the entire banking system in the market economy? In addition, how to provide SCB's with a legal corridor so as to allow depositors to feel good as they boldly hand their money to the banks? Vietnam State Bank Governor Cao Si Kiem grants us an interview on this issue.

[Vi] City residents, particularly customers of SCB's, are very concerned about the "activities" of these banks and, in the capacity of a state management organ, the State Bank must ensure healthy and safe activities in the entire bank network. How far can the State Bank go in satisfying this need?

[Kiem] Our credit organizations, which include the SCB's, play an important role in providing the economy with capital (about 50 percent of the country's total mobilized capital). We can say that the management mechanism for SCB's is very new. In the entire management process, we have found new "emerging" problems that would need to be resolved; we have held reviews and have just now taken many positive measures, namely revising the documents that might have lately caused shortcomings in the management of SCB activities, to ensure implementation of bank regulations.

[Vi] Can you give us your own assessment of the recent SCB activities that you have observed?

[Kiem] Newspapers in the city have recently published a number of articles drawing the attention of their readers to the violations of state regulations on the part of some SCB's. Those violations had actually taken place because they had taken advantage of the shortcomings of the documents. The wrongdoings can be cited, such as letting many members of the same families contribute to statutory capital, or banks buying shares from one another, or banks getting capital contributions without knowing the exact sources of such capital, and so on. These phenomena have been promptly corrected. In my opinion, if any banks deliberately act against the state's regulations, the executive officers there must be held fully responsible before the law. As to the banks that have encountered difficulties in their operations because of the economic environment, they will receive support from the State Bank in order to restore health to their financial operations.

[Vi] What positive measures does the State Bank take to reorganize the operations of the shareholders' credit organizations in general, and the SCB's in particular?

[Kiem] First of all, we are revising the documents to provide SCB's with very detailed guidance for their legitimate operations. Then we organize training, checking, control, and so on in order to bring all credit organizations, not just the SCB's, into the "framework," in accordance with strict pattern and regulations.

We will issue many documents, for instance, the ones that set the percentages of contributions made by members of the same families to a bank; require the confirmation of the legal status of shareholders; and set the conditions for "management of shareholders," particularly founders-shareholders, for listing the relationships and sources of capital of shareholders owning 5 percent or more of the statutory capital, for the ways to replace members of boards of management and directors general, for getting the level of capital allowing them to open many additional branches, and so on.

[Vi] When are these documents going to be issued?

[Kiem] Within this month of July 1994.

[Vi] Please tell us more about the role of reserve funds which are required to ensure safety for the people's deposits in SCB's.

[Kiem] These funds account for only from 3 to 5 percent of the statutory capital, i.e., only about .5 billion dong for a SCB having 10 billion dong of statutory capital. This is a very small and negligible sum of money.

According to the developed countries' experience, their bankers associations play a decisive role in the case a certain member bank faces payment difficulties. These associations take remedial measures to assist, rally, protect, and help one another in order to allow the entire banking system to survive, for the purpose of safeguarding the prestige of the entire commercial banking system.

[Vi] What role will the Vietnam Banks Association play?

[Kiem] The Vietnam Banks Association will not hold its general meeting until August 1994. It will take some time for it to make good contributions to the health and stability of the banking system. At the present time, the State Bank still is the one that decides about any necessary measures to ensure strict management and to maintain safety for the banking system.

#### \* Mitsubishi Finds Oil in Exploratory Drilling

942E0089B Hanoi THOI BAO KINH TE VIET NAM  
in Vietnamese 14-20 Jul 94 p 3

[Interview with Yojiro Tanno by Nguyen Thanh; place and date not given: "By Using Three-Dimensional Seismic Technology, JVPC Finds Oil From Its First Explored Well"]

[Text] *Japan-Vietnam Petroleum Company (JVPC), an affiliate of Mitsubishi Oil Corporation, has found oil in the first well that it drilled in its exploratory efforts. Well 15.2-RD-1X was drilled in the Rang Dong Structure, a part of Lot 15.2 in Vietnam's continental shelf.*

*Following is an interview with Yojiro Tanno, director general, JVPC's Ho Chi Minh City office, by Nguyen Thanh. THOI BAO KINH TE VIET NAM's reporter.*

[Thanh] In your opinion, in addition to the drilling technology, was there any other important factor that had led to JVPC's recent successful exploration?

[Tanno] The most important part of the exploratory work is the assessment of the site that has the greatest potential for yielding oil. Recently, in Lot 15.2, we used the most modern technology—three-dimensional seismic technology—and obtained good success as everybody knows.

[Thanh] Why did JVPC decide to use this technology right in the exploratory stage?

[Tanno] We can say this was a special case and because of many reasons. We cannot make public these reasons. In fact, to explain is not so simple, but I can say that the three-dimensional seismic technology is very necessary for us to determine the right location for drilling.

[Thanh] As a result of the trial drilling down to a depth of more than 3,000 meters, the first well provided a stable yield of up to 10,346 barrels of oil per day. Can this result be enough to determine the size of the oil deposit in Lot 15.2?

[Tanno] Let me give you an example to make it more understandable. An oil deposit is like a water tank; and recently the drilling in Well 15.2-RD-1X has reached the deposit, with the oil shooting out of it being likened to opening a faucet of this water tank. We know that the water that comes out of it is very strong, but we do not know yet how much water the tank holds. It is necessary to drill several wells in different locations in order to determine the size of the oil deposit.

[Thanh] Before switching to the stage of developing and extracting oil from the oil deposit, JVPC has to complete a feasibility study. What factors do you base this study on?

[Tanno] This study is based on three factors: size of the deposit, expenses for development, and crude oil price.

A deposit size of 100 million barrels or more is considered feasible and can be developed for extracting. We hope it will be up to 300 million barrels. The depth of water in Lot 15.2 is about 49 or 50 meters, and the depth of the oil deposit is over 3,000 meters; the expenses for development, therefore, will not be very high. The price of crude oil is fluctuating between US\$15 and US\$20 a barrel.



[Thanh] Let us assume that after the study the amount of oil in the deposit is known to be unfeasible. What other solution will JVPC have?

[Tanno] After the stage of exploration, before we come to the stage of exploitation we have to go through that of developing the deposit. Therefore, in this case, we will wait and will not develop it.

Another solution: If the deposit is large enough to allow its development but not very large income (only the capital will be retrieved), we will ask for Vietnam's permission to have more favored conditions (such as sharing products and tax).

[Thanh] What is the shortest time needed for the stages of exploration and development?

[Tanno] The exploration stage will last 1 or 2 years, or more, and development of the deposit will take 2, 3 years before oil extraction can take place.

[Thanh] Normally oil companies can accelerate development work in order to begin production earlier. What is JVPC's intention?

[Tanno] Companies can accelerate the development work, and this is called simultaneous development and extraction. As for JVPC, we are studying this possibility and we will probably adopt it.

## Papua New Guinea

### Prime Minister Replaces Army Commander Dademo

*BK0709034194 Melbourne Radio Australia in English  
0100 GMT 7 Sep 94*

[Text] Papua New Guinea [PNG] has sacked its army commander. In one of reversed decisions, the caretaker cabinet of the new prime minister, Sir Julius Chan, dumped Brigadier General Bob Dademo.

Sean Dorney reports that the general had ordered the army to recapture the Panguna copper mine on Bougainville three weeks ago.

[Begin Dorney recording] Announcing the compulsory retirement of Brig. Gen. Dademo, Sir Julius Chan says that given his new government's commitment to reaching a negotiated peace settlement on Bougainville, it is absolutely important for the management of the Defense Force to ensure government decisions are implemented as directed. Earlier this year, the former prime minister, Paias Wingti, extended the retirement age for the army commander to allow Brig. Gen. Dademo to stay in the job, but that has been reversed and the retirement age reversed to 50. The new commander is Tony Huai, who comes back to the Army having commanded it before. [end recording]

### Chan To Use Force To Stop Islands' Secession

*BK0909072994 Hong Kong AFP in English 0717 GMT  
9 Sep 94*

[Text] Port Moresby, Sept 9 (AFP)—Papua New Guinea Prime Minister Julius Chan on Friday threatened to use force to stop four island provinces seceding from the mainland to create a new country, the Federated Melanesian Republic. Premiers of the four provinces issued a joint statement Thursday threatening to secede if demands for greater autonomy were not met, following a forum this week in the East New Britain provincial capital Rabaul. The four island provinces involved are West New Britain, East New Britain, New Ireland and Manus.

If demands for greater political and economic independence were not agreed by the government before December 7, "a declaration of independence shall be made on January 6, 1995," the statement said. "The forum supports the concept of an independent New Guinea Islands region under the name and flag of the Federated Melanesian Republic, and recommends an approval subject to the following resolution of the draft interim constitution by all provincial assemblies," it said.

The premiers said they wanted to secede because of "appalling financial mismanagement" by the national government, and the relative prosperity of the region. Chan said Papua New Guinea—a former United Nations Trust

Territory administered by Australia which declared independence in September 1975—was a united country with a bright future.

"If any group, or man, wants to break up this country, we have disciplinary forces to deal with that," he warned. "My position is clear, right from the start we talked about unity, about one country, Papua New Guinea, and together we built it for over 19 years. We have a very strong future as one country, as against an unknown future if we split up. I think we just have to educate our people and to persuade them that one PNG is better than 10."

Chan, who took over from former prime minister Paias Wingti on August 30, said he had not received any official communication of the secession threat.

### 'Favorable' Response Received on Peacekeepers

*LD0909110494 Melbourne Radio Australia in English  
0900 GMT 9 Sep 94*

[Text] Papua New Guinea [PNG] says it has received a favorable response from countries approached to take part in its proposed Pacific peacekeeping force for Bougainville. The PNG Government called a meeting in Fiji to brief officials from Australia, New Zealand, Fiji, Tonga, and Vanuatu on the role and makeup of the proposed 200-strong force. Tonga, Fiji, and Vanuatu have all indicated they're prepared to commit troops, while Australia and New Zealand have offered logistical support. PNG's Foreign Affairs Secretary Gabriel Dusava said officials would report back to their governments before giving a final response to PNG's appeal for help. However Mr. Dusava said he was confident those countries PNG had approached would provide some form of assistance. PNG wants the Pacific force to provide security at peace talks due to take place on Bougainville on 10 October.

### Soldier Dies From Sniper Fire on Bougainville

*BK0909062794 Melbourne Radio Australia in English  
0500 GMT 9 Sep 94*

[Text] Skirmishes are continuing on the Papua New Guinea [PNG] island of Bougainville as the clock winds down toward the agreed cease-fire at midnight tonight. Sean Dorney reports that in one incident, a PNG soldier was shot dead while two other soldiers were wounded in a separate ambush.

[Begin Dorney recording] A soldier shot dead was hit by sniper fire at Aropa near Bougainville's abandoned international airport on the island's east coast. It is not far from Koromira—the base of the rebel military commander, Sam Kauona, who is still in Solomon Islands capital, Honiara, where yesterday he signed the cease-fire agreement. The death brings to five the number of PNG soldiers killed since the now canceled operation to recapture the Bougainville copper mine was approved by the former prime minister, Paias Wingti, three weeks ago. In a separate incident at Tonu on the west coast, two PNG Defense Force soldiers have been wounded. [end recording]

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